

STATE OF MINNESOTA  
COUNTY OF RAMSEY

BEFORE THE MINN  
BOARD OF MEDICAL EXAMINERS

In the Matter of the  
Medical License of  
Nancy A. Kermath, MD  
Date of Birth: 1-1-50  
License Number: 27,457

STIPULATION  
AND ORDER

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, MD (hereinafter "Respondent"), and the Minnesota Board of Medical Examiners (hereinafter "Board") by Cassius M.C. Ellis, III, MD, President, as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota;

2. For the purpose of this stipulation, the Board may consider the following facts as true:

a. Respondent has used alcohol since the age of 15. She identified herself as having a possible alcohol abuse problem at age 28, although it was not confirmed at that time. During the past two years, Respondent's alcohol consumption increased, and she has engaged in binge drinking. Respondent's escalated alcohol use resulted in a diagnosis of chemical dependency;

b. Respondent had been hospitalized at ages 18 and 24 for depression. In 1980 Respondent began taking Ritalin prescribed for a minimal brain dysfunction and, in 1988, Temazepam was prescribed for a sleep disorder;

c. On April 24, 1978, Respondent voluntarily admitted herself to St. Mary's Hospital, Chemical Dependency Night Program, Minneapolis, Minnesota, because of her concern that she may have been chemically dependent;

d. On March 10, 1981, Respondent was admitted to St. Mary's Rehabilitation Center with a diagnosis of acute schizophrenia, minimal brain dysfunction, and agitated condition with probable adult adjustment. Respondent was discharged on April 17, 1981, with a prescription for Ritalin and a recommendation that she participate in family and womens' support groups. At the time of discharge, Respondent's physician charted that she was in complete remission from the psychosis. As a result of Respondent's treatment, she took a leave of absence from her residency in New York;

e. In September 1981 Respondent was being treated for manic-depressive disorder with Lithium and Norpramin;

f. Between 1982 and 1984, Respondent was accepted into and completed a psychiatry residency program in Minnesota, married and had a child. During this time she continued to use alcohol;

g. On August 23, 1987, Respondent was admitted to St. Mary's Rehabilitation Center for recurrent major depression, precipitated by the birth of her second child. Her discharge diagnosis was major affective disorder and recurrent major depression without psychosis;

h. On July 27, 1988, Respondent was admitted to Riverside Medical Center for increased symptoms of depression with suicidal ideation and discharged on the medications Nardil and Clonopin;

i. On November 14, 1988, Respondent was admitted to Riverside Medical Center for acute confusion due to renal failure. Renal failure resulted in elevated blood levels of caffeine, Chlordiazepoxide and



Diphenhydramine (Benadryl). Respondent was discharged without medications;

j. On November 21, 1988, Respondent was admitted to Riverside Medical Center for major affective disorder and increasing depression. Respondent was discharged on November 28, 1988 on the medication Prozac;

k. On February 27, 1989, Respondent was admitted to Hazelden's Womens' Program, Minneapolis, Minnesota an outpatient chemical dependency treatment program, and was discharged a month later;

l. On March 20, 1989, Respondent was admitted to Riverside Medical Center for drinking and increased depression and was discharged on March 30, 1989;

m. On July 4, 1989, Respondent was admitted to Riverside Medical Center due to a relapse which she attributed to the stress of her divorce proceedings and a custody battle for her children. Respondent joined the Outpatient Relapse Program at St. Mary's and attended AA meetings regularly;

n. On July 17, 1989, Respondent was admitted to Riverside Medical Center for "quite severe depression with suicidal ideation and a recent slip in her drinking." On July 18, 1989, Respondent was discharged to St. Mary's Hospital Relapse Program, which she completed;

o. In September 1989, Respondent was admitted as an inpatient at Riverside Medical Center with a diagnosis of Bipolar Effective Disorder, manic type and a history of chemical dependency. She was placed on Lithium. This hospitalization was following a manic episode in which she went binge shopping and, while driving her car, hit a truck;

p. At the point Respondent appeared before the Complaint Review Committee she was not employed in medicine;

q. Respondent has maintained sobriety since September 16, 1989. She attends a doctor's AA group at St. Mary's on a weekly basis. She also attends a manic-depressive support group in St. Louis Park and sees a psychiatrist for weekly therapy and medication monitoring.

3. The Board views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(l) (1988) and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action;

4. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an order conditioning and restricting Respondent's license to practice medicine and surgery in the State of Minnesota as follows:

a. Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed by a treating physician or dentist who has been informed of Respondent's drug use history;

b. Respondent shall attend Alcoholics Anonymous meetings on a weekly basis. Quarterly reports shall be submitted to the Board from Respondent's Alcoholics Anonymous sponsor(s) regarding her attendance and progress;

c. Respondent shall regularly attend meetings of Physicians Serving Physicians on a monthly basis. Quarterly reports shall be submitted to the Board from Respondent's Physicians Serving Physicians sponsor(s) regarding her attendance and progress;

d. Respondent shall attend a Manic-Depressive Association support group on a monthly basis. Quarterly reports shall be submitted to the Board from another member of the Manic-Depressive Association regarding her attendance and progress;

e. Respondent shall see a psychiatrist approved by the Board Complaint Review Committee as often as the psychiatrist deems necessary. Monthly reports shall be submitted to the Board from the psychiatrist regarding the stability of Respondent's mental health, her sobriety, and her progress under the terms of this Stipulation And Order;

f. Respondent shall make arrangements with a supervising physician, approved by the Board Complaint Review Committee to order, without notice, random blood and urine tests of Respondent, but no less frequently than three urine screens and one blood screen a month. The blood and urine screens shall be:

- 1) Observed in their drawing;
- 2) Handled through legal chain of custody

methods;

- 3) Paid for by Respondent.

The biological fluid testing shall take place at Hennepin County Medical Center, 701 Park Avenue South, Minneapolis, Minnesota 55415, and shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol. If the blood and urine testing is to be completed through the mail, the drug screening tests used must be those obtained from Hennepin County Medical Center. All blood and urine tests processed through the mail must be directed to the attention of Calvin Bandt, MD, at Hennepin County Medical Center;

g. The supervising physician shall meet with Respondent on a monthly basis to review her progress under the terms of this Stipulation And Order and report to the Board the results of those tests and quality of Respondent's medical practice on at least a quarterly basis and immediately upon becoming aware of any evidence from these tests or otherwise that Respondent has used opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol;

h. Respondent shall meet on a quarterly basis with a designated Board member. Such meetings shall take place at a time mutually convenient to Respondent and the designated Board member. It shall be Respondent's obligation to contact the designated Board member to arrange each of the quarterly meetings. The purpose of such meetings shall be to review Respondent's progress under the terms of this Stipulation And Order;

i. Respondent shall limit her practice to a practice setting approved in advance by the Board Complaint Review Committee.

5. Within ten days of the date of this order, Respondent shall provide the Board with a list of all hospitals at which Respondent currently has medical privileges. The information shall be sent to Richard L. Auld, Board of Medical Examiners, Suite 106, 2700 University Avenue West, St. Paul, Minnesota 55114;

6. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the license of Respondent to practice medicine and surgery in the State of Minnesota shall be suspended immediately upon written notice by the Board to Respondent, such a suspension to remain in full force and effect until Respondent petitions the Board to terminate the suspension after a hearing. Nothing contained herein shall prevent the Board from revoking or suspending Respondent's license to practice medicine and surgery in the State of Minnesota after any such hearing;

7. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto;

8. In the event Respondent should leave Minnesota to reside or practice outside the state, Respondent shall promptly notify the Board in writing of the new location as well as the dates of departure and return. Periods of residency or practice outside of Minnesota will not apply to the reduction of any period of Respondent's suspended, limited, or conditioned license in Minnesota unless Respondent demonstrates that practice in another state conforms completely with Respondent's Minnesota license to practice medicine;

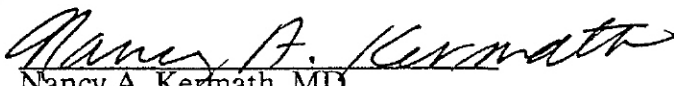
9. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter, and has been represented in these proceedings by legal counsel, Kuduk, Shoaps & Day, David G. Kuduk;

10. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein;

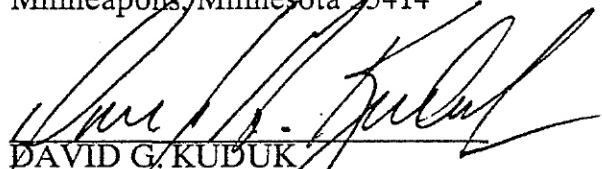
11. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire

agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.

Dated: 6/27/90, 1990.

  
Nancy A. Kermath, MD  
Respondent

810 Thornton Street, #1105  
Minneapolis, Minnesota 55414

  
DAVID G. KUDUK  
Attorney for Respondent

KUDUK, SHOAPS & DAY  
2620 West 59th Street  
Minneapolis, Minnesota 55410  
Telephone: (612) 922-8363

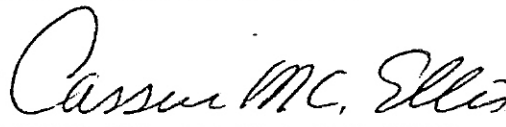
  
AUDREY KAISER MANKA  
Attorney for Board

500 Capitol Office Building  
525 Park Street  
St. Paul, Minnesota 55103  
Telephone: (612) 297-2040

Upon consideration of this stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this stipulation are adopted and implemented by the Board this 7th day of July, 1990.

MINNESOTA BOARD OF  
MEDICAL EXAMINERS

  
CASSIUS M. C. ELLIS, III, MD  
President

STATE OF MINNESOTA  
COUNTY OF RAMSEY

SS.

Tamara Rein, being first duly sworn upon oath, deposes and says:

That at the City of St. Paul, county and state aforementioned, on the 10th day of July, 1990, she served the attached STIPULATION AND ORDER by depositing in the United States mail at said city, two true and correct copies hereof, properly enveloped, with first class postage prepaid, and addressed to:

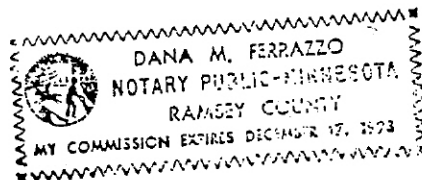
Mr. David Kuduk  
2620 West 59th Street  
Minneapolis, Minnesota 55410

*Tamara Rein*

Subscribed and sworn to before me

this 10<sup>th</sup> day of July, 1990.

*Dana M. Ferrazzo*



Re: In the Matter of Nancy A. Kermath, MD  
License No. 27,457

BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE

In the Matter of the  
Medical License of  
Nancy Ann Kermath, MD  
Date of Birth: 1-1-50  
License Number: 27,457

ORDER OF  
UNCONDITIONAL LICENSE

The Minnesota Board of Medical Practice (hereinafter "Board"), having convened on November 14, 1992, to review the petition of Nancy Ann Kermath, MD (hereinafter "Respondent"), for reinstatement of an unconditional license to practice medicine and surgery, and having determined that Respondent complied with and fulfilled the order issued by the Board on July 7, 1990, does hereby issue the following ORDER:

IT IS HEREBY ORDERED that an unconditional license to practice medicine and surgery in the State of Minnesota be conferred upon Respondent, such license to carry all duties, benefits, responsibilities, and privileges inherent therein through Minnesota statute and rule.

Dated: 11/14, 1992.

STATE OF MINNESOTA  
BOARD OF MEDICAL PRACTICE

Donald Baker



AFFIDAVIT OF SERVICE BY MAIL

Re: In the Matter of the Medical License  
of Nancy Ann Kermath, MD

STATE OF MINNESOTA }  
COUNTY OF RAMSEY } ss.

SANDRA R. THIELING, being first duly sworn, deposes and says:

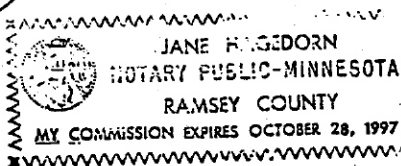
That at the City of St. Paul, County of Ramsey and State of Minnesota, on the 17th day of November, 1992, she served the attached Order of Unconditional License by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

David G. Kuduk  
Attorney at Law  
200 1st Avenue NW  
Grand Rapids, MN 55744

  
SANDRA R. THIELING

Subscribed and sworn to before me  
this 17th day of November, 1992.

  
Notary Public



4. IT IS FURTHER ORDERED that the terms of this Order are adopted and implemented this 14<sup>th</sup> day of March, 2008.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

By: Carl S. Smith

AG: #1972535-v1

e. On October 29, 1993, Respondent telephoned her treating physician and told him that she had been drinking. Respondent was subsequently brought to the emergency room, where her blood alcohol level was reported at 0.18. A note in the emergency room record stated, "[Respondent] states drank 750 ml of vodka/day for many days. Has been working (as a physician) while under the influence for perhaps 3 weeks. Patient very manic at this time." Respondent's treating physician documented that Respondent denied that her behavior and drinking "had any effect on patient care and it was done in the context of clinic but had inferred on one occasion that it may have been and that the staff in the ER was concerned that she had taken a call while intoxicated last night."

f. From December 6 to 10, 1993, Respondent was hospitalized through the emergency room. Respondent's lab report from December 6, 1993, reported a urine ethyl alcohol level of 0.214. Upon admission, Respondent admitted that over the previous several days she had increased her alcohol intake and took "'handfuls of benzos', including Xanax and Doral which she has at home in addition to the other medication and use of alcohol."

g. Respondent admitted that on March 3, 1994, she ingested as much as 6 mg. of Klonopin and drank alcohol. That evening, Respondent fell and injured herself upon leaving a bar. Respondent was transported to Methodist Hospital and then transferred to Fairview Southdale Hospital where she was placed on a 72-hour hold. Respondent admitted that she did not recall much of what led up to this because she was in a blackout. Respondent's blood test reported an alcohol level of 0.3. Respondent was subsequently transferred to Fairview Riverside. On March 16, 1994, Respondent was released from Fairview Riverside.

h. On May 5, 1994, Respondent met with the Board's Complaint Review Committee and stated that the history she had given about alcohol and medication consumption during her October 29, 1993, December 6, 1993, and March 3, 1994, hospitalizations was invalid because of her manic state during those time periods.

i. While she was hospitalized in March 1994, Respondent was informed that there were two work-related complaints involving patient care and that, while at work, she displayed hypomanic behavior in that she talked too much, was arrogant, grandiose, alienated support staff with condescension, and did not look directly at patients.

j. Following her March 1994 discharge, Respondent began outpatient treatment and arranged to participate in Professional Recovery Assistance, which requires random bodily fluid monitoring; attendance at AA and PSP; aftercare participation; and work quality assessment.

k. On March 20, 1994, Respondent self-reported the October and December 1993 and the March 1994 incidents of chemical dependency relapse and manic episodes to the Board.

l. On May 5, 1994, Respondent met with the Board's Complaint Review Committee. It was not until Respondent appeared before the Committee that Respondent reported the December 1992 chemical dependency relapse.

#### **STATUTES**

3. The Board views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(k), (l), (r), and (u) (1992) and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action.

#### **REMEDY**

4. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter the following:

a. An order suspending Respondent's license to practice medicine and surgery in the State of Minnesota for six months. Such suspension shall be stayed pending the outcome of a four to seven day, inpatient physical and mental evaluation with Richard Irons,

M.D., Associate Director, Talbott-Marsh Recovery Campus, 5448 York Towne Drive, Atlanta, Georgia 30349. The nature, scope and duration of the evaluation are to be determined by the staff of Talbott-Marsh Recovery Campus, under the direction of Dr. Irons. It is Respondent's responsibility to contact Dr. Irons at 1-800-445-4232 within five (5) days of receipt of this order to make arrangements for an evaluation to begin no later than 30 days after the date of this order. The evaluation results are to be transmitted directly by Dr. Irons to Robert Leach at the Board office. The Board shall promptly transmit a copy of the evaluation results to Respondent's attorney. This evaluation is to be at the Board's expense. Respondent shall bear the cost of transportation to and from the Talbott-Marsh Recovery Campus.

b. After the Board receives the evaluation results, Respondent shall again meet with the Committee to re-evaluate the conditions and restrictions placed on Respondent's license, including the stay of the suspension. If Dr. Irons' evaluation includes a recommendation for further inpatient treatment, Respondent shall undergo such treatment at her own expense, pursuant to this Stipulation and Order and without necessity of any further Order of the Board. When Respondent meets with the Committee, it may propose an Amended Stipulation and Order with further restrictions based on the other recommendations of Dr. Irons.

c. Respondent shall obtain a treating physician, who shall be a psychiatrist knowledgeable in the areas of both bipolar disorder and chemical dependency, approved in advance by the Complaint Review Committee or its designee, to monitor and/or manage all medical or other care provided to Respondent by all health care professionals. Respondent shall provide all necessary records releases to enable Respondent's health care professionals to communicate with the treating physician pursuant to this paragraph. The treating physician shall provide quarterly reports to the Board summarizing medical or other care provided to Respondent and addressing Respondent's progress under any terms of this Stipulation and Order relating to Respondent's health status and recovery.

d. Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed by a physician or dentist who has been informed of Respondent's drug use history.

e. Respondent shall not prescribe or administer any prescription drug or drug sample for Respondent's own use or for Respondent's family members' use.

f. Respondent shall be subject, without notice, to unannounced blood and urine tests at the request of Board staff or other Board designee at least 12 times per quarter. Blood and urine screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The blood and urine screens shall be:

1) Collected and tested consistent with protocols established by a Board-designated laboratory;

2) Handled through legal chain of custody methods;

3) Paid for by Respondent.

g. The biological fluid collection and testing shall take place at a Board-designated laboratory as directed by the Board or its designee. Testing shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol. The laboratory will provide test results directly to the Board and Respondent's treating physician. Ingestion of poppyseeds will not be accepted as a reason for a positive drug screen.

h. Respondent shall continue in psychotherapy, with a therapist approved in advance by the Complaint Review Committee or its designee. Quarterly reports shall be submitted to the Board and to the treating physician regarding Respondent's progress.

i. Respondent shall attend meetings of a self-help program such as AA or NA in support of abstinence at least four times per month. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding attendance and participation.

j. Respondent shall attend meetings sponsored by the Minnesota Depressive and Manic-Depressive Association at least four times per month. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding attendance and participation.

k. Respondent shall attend monthly meetings of a professional support group such as PSP, approved in advance by the Complaint Review Committee or its designee. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding Respondent's attendance and participation.

l. Respondent shall provide to the Board and the treating physician a copy of any treatment or aftercare plan which is in effect at the time of execution of this Stipulation and Order or which is modified or becomes effective during the time Respondent is subject to this Stipulation and Order. The treatment or aftercare plan and any modifications to it shall be approved by the treating physician and shall include at least the following:

- 1) The treatment or aftercare plan activities;
- 2) The name, address, and telephone number for each provider of treatment or aftercare services.

m. The terms of any such treatment or aftercare plan or approved modification thereto, to the extent not superseded by this order, are herewith incorporated by reference. Failure to follow the plan or approved modification shall constitute violation of this order.

n. Upon request by the Board, Respondent shall sign releases authorizing the Board to obtain Respondent's medical, mental health or chemical abuse/dependency records from any treating professional or facility.

o. Respondent and a designated Board member or designee shall meet on a quarterly basis. It shall be Respondent's obligation to contact the designated Board member to arrange each of the meetings. The purpose of such meetings shall be to review Respondent's progress under the terms of this Stipulation and Order.

p. Respondent shall identify a work quality assessor who shall provide quarterly reports to the Board and to the treating physician regarding Respondent's overall work performance.

q. Respondent shall limit her practice to a group setting, approved in advance by the Complaint Review Committee.

r. After three years from the date of this Order, Respondent may petition the Complaint Review Committee to modify the terms of this paragraph 4, subparagraphs a-q. Respondent shall provide the Committee with documentation of compliance with the Order. The Committee, at its discretion and in consultation with the treating physician, may at that time reduce the frequency of meetings, reports and biological fluid screens required by this Order.

s. This Stipulation and Order will remain in effect for a minimum of five years from the date of this Order. At the end of this period, Respondent may petition for reinstatement of an unrestricted license upon recommendation by Respondent's treating physician and psychotherapist, and upon proof, satisfactory to the Board, of five years of documented, uninterrupted recovery. Upon hearing the petition, the Board may continue, modify or remove the conditions set out herein.

5. Upon Board approval of this Stipulation and Order, Respondent shall provide the Board with the addresses and telephone numbers of Respondent's residence and all work sites. Within seven (7) days of any change, Respondent shall provide the Board with new address and telephone number information.

6. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the license of Respondent to practice medicine and surgery in the State of Minnesota shall be suspended immediately upon written notice by the Board to Respondent, such a suspension to remain in full force and effect until Respondent petitions the Board to terminate the suspension after a hearing. Nothing contained herein shall prevent the



Board from revoking or suspending Respondent's license to practice medicine and surgery in the State of Minnesota after any such hearing.

7. Within ten days of the date of this order, Respondent shall provide the Board with a list of all hospitals at which Respondent currently has medical privileges and a list of all states in which Respondent is licensed or has applied for licensure. The information shall be sent to the Board of Medical Practice, Suite 106, 2700 University Avenue West, St. Paul, Minnesota 55114.

8. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.

9. In the event Respondent should leave Minnesota to reside or practice outside the state, Respondent shall promptly notify the Board in writing of the new location as well as the dates of departure and return. Periods of residency or practice outside of Minnesota will not apply to the reduction of any period of Respondent's suspended, limited, or conditioned license in Minnesota unless Respondent demonstrates that practice in another state conforms completely with Respondent's Minnesota license to practice medicine.

10. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter and has chosen to be so represented.

11. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.

12. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire

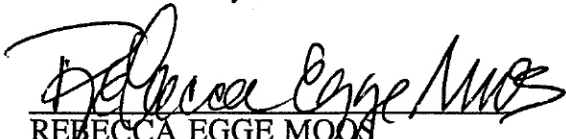
agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.

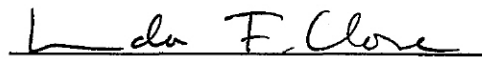
Dated: May 26, 1994

  
NANCY A. KERMAITH, M.D.  
Respondent

  
FOR THE COMPLAINT REVIEW  
COMMITTEE

Dated: May 26, 1994

  
REBECCA EGGE MOOS  
Attorney for Respondent

  
LINDA F. CLOSE  
Attorney for Board

Bassford & Lockhart  
3550 Multifoods Tower  
Minneapolis, MN 55402

500 Capitol Office Building  
525 Park Street  
St. Paul, Minnesota 55103

Telephone: (612) 333-3000

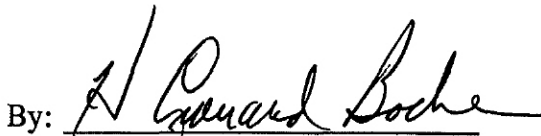
Telephone: (612) 297-2040

#### ORDER

Upon consideration of this stipulation and all the files, records, and proceedings herein,  
IT IS HEREBY ORDERED that Respondent's license to practice medicine and surgery in the State of Minnesota is SUSPENDED, for a minimum of SIX MONTHS, stayed pending the outcome of a an inpatient physical and mental evaluation with Richard Irons, M.D., Associate Director, Talbott-Marsh Recovery Campus.

IT IS FURTHER ORDERED that all other terms of this Stipulation and Order are adopted and implemented by the Board this 3rd day of June, 1994.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: 

**AFFIDAVIT OF SERVICE BY MAIL**

Re: Medical License of Nancy A. Kermath, M.D.  
License No. 27,457

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

Cynthia O. Ransom, being first duly sworn, deposes and says:

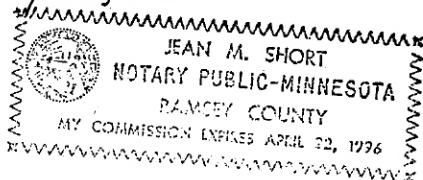
That at the City of St. Paul, County of Ramsey and State of Minnesota, on June 3, 1994,  
she served the attached STIPULATION AND ORDER by depositing in the United States mail  
at said city and state, a true and correct copy thereof, properly enveloped, with first class  
postage prepaid, and addressed to:

Rebecca Egge Moos  
Bassford, Lockhart, Truesdell & Briggs, P.A.  
3550 Multifoods Tower  
33 S Sixth Street  
Minneapolis MN 55402-3787

Cynthia O. Ransom  
Cynthia O. Ransom

Subscribed and sworn to before me  
this 3rd day of June, 1994.

Jean M. Short  
Notary Public



**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1-1-50  
License Number: 27,457

**AMENDED  
STIPULATION  
AND ORDER**

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Complaint Review Committee ("Committee") of the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.

**FACTS**

2. For the purpose of this stipulation, the Board may consider the following facts as true:

a. Respondent has a history of manic-depressive disorder and chemical dependency to alcohol. On July 7, 1990, the Board issued a Stipulation and Order conditioning and restricting Respondent's license to practice medicine and surgery based on her mental illness and chemical dependency to alcohol. On November 14, 1992, Respondent was issued an Order for Unconditional License by the Board.

b. On June 3, 1994, the Board issued Respondent a Stipulation and Order conditioning and restricting her license to practice medicine and surgery based on her history of manic-depressive disorder and chemical dependency to alcohol. One of the terms of the order suspended Respondent's license for six months, stayed pending the outcome of a four to seven day, inpatient physical and mental evaluation with Richard Irons, M.D., Associate

Director, Talbott-Marsh Recovery Campus, Atlanta, Georgia. The nature, scope and duration of the evaluation were to be determined by the staff of Talbott-Marsh Recovery Campus, under the direction of Dr. Irons.

c. From June 19 to June 24, 1994, Respondent participated in the Professional Assessment Program at Anchor Hospital on the Talbott-Marsh Recovery Campus for the purpose of undergoing an inpatient physical and mental evaluation. Respondent was evaluated by an "Assessment Team" made up of an attending Psychiatrist, a psychologist and neuropsychologist, an addiction medicine consultant, a licensed social worker and Richard R. Irons, M.D. the Director of the Professional Assessment Program. In a report dated July 7, 1994, Dr. Irons provided the Board with the Assessment Team's conclusions and recommendations which resulted from the Assessment Team's evaluation of Respondent. The Team expressed concern about Respondent's past pattern of self-medication and her tendency to co-manage her care. The Team also questioned whether her AA attendance was at a level to be sufficiently beneficial. Finally, the Team expressed concern about Respondent's ability to address her recovery while working full-time as a psychiatrist. The Team recommended close observation of her medications and a reduction in her hours of work.

### **STATUTES**

3. The Board views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(k), (l) (r) and (u) (1992) and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action;

### **REMEDY**

4. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an order conditioning and restricting Respondent's license to practice medicine and surgery in the State of Minnesota by amending

the Stipulation and Order approved June 3, 1994, which is hereby incorporated by reference, with the exception of paragraph 4, which is rescinded and replaced with the following:

a. Respondent shall limit her practice to a group setting, approved in advance by the Complaint Review Committee.

b. Respondent shall limit her practice as a psychiatrist to a range of half-time to a maximum of three-quarter time for at least six months from the date the Board approves this Amended Stipulation and Order.

c. Respondent shall obtain a treating physician, approved in advance by the Complaint Review Committee or its designee, to monitor all medical or other care provided to Respondent by all health care professionals. Respondent shall provide all necessary records releases to enable Respondent's health care professionals to communicate with the treating physician pursuant to this paragraph. The treating physician shall provide quarterly reports to the Board summarizing medical or other care provided to Respondent and addressing Respondent's progress under any terms of this Stipulation and Order relating to Respondent's health status and recovery.

d. Respondent shall continue psychotherapy with a psychiatrist approved in advance by the Complaint Review Committee. Respondent shall meet with the therapist or psychiatrist a minimum of twice monthly for monitoring of her affective disorder and medications. The therapist or psychiatrist shall also manage and direct all aspects of Respondent's psychiatric treatment, including her medication regime. The therapist or psychiatrist shall provide quarterly reports to the Board and the treating physician addressing Respondent's progress under any terms of this Amended Stipulation and Order, including providing ongoing review of Respondent's workload, schedule, responsibilities and stress.

e. Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed by a physician or dentist who has been informed of Respondent's drug use history.

f. Respondent shall not prescribe or administer any prescription drug for Respondent's own use or for Respondent's family members' use.

g. Respondent shall be subject, without notice, to unannounced blood and urine tests at the request of Board staff or other Board designee at least twelve times per quarter. Blood and urine screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The blood and urine screens shall be:

1) Collected and tested consistent with protocols established by a Board-designated laboratory;

2) Handled through legal chain of custody methods;

3) Paid for by Respondent.

h. The biological fluid collection and testing shall take place at a Board-designated laboratory as directed by the Board or its designee. Testing shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol. The laboratory will provide test results directly to the Board and Respondent's treating physician. Ingestion of poppyseeds will not be accepted as a reason for a positive drug screen. At least one screen per quarter shall test to monitor Respondent's compliance with medication(s) prescribed for her bi-polar affective disorder.

i. Respondent shall attend meetings of a self-help program such as AA or NA in support of abstinence at least four times per week for six months from the date of this order. Respondent shall obtain at least one female sponsor. The sponsor(s) shall submit quarterly reports to the Board regarding Respondent's attendance and participation in the self-help meetings. At the end of six months, Respondent may petition the Committee to reduce the number of meetings attended. The Committee may reduce the number by its own Order.

j. Respondent shall attend monthly meetings of a professional support group such as PSP approved in advance by the Complaint Review Committee or its designee. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding Respondent's attendance and participation in the professional support group.

k. Respondent shall attend meetings sponsored by the Minnesota Depressive and Manic-Depressive Association at least four times per month. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding attendance and participation in these meetings.

l. Respondent shall provide to the Board and the treating physician a copy of any treatment or aftercare plan which is in effect at the time of execution of this Amended Stipulation and Order or which is modified or becomes effective during the time Respondent is subject to this Amended Stipulation and Order. The treatment or aftercare plan and any modifications to it shall be approved by the treating physician and shall include at least the following:

- 1) The treatment or aftercare plan activities;
- 2) The name, address, and telephone number for each provider of treatment or aftercare services.

m. The terms of any such treatment or aftercare plan or approved modification thereto, to the extent not superseded by this order, are herewith incorporated by reference. Failure to follow the plan or approved modification shall constitute violation of this order.

n. Upon request by the Board, Respondent shall sign releases authorizing the Board to obtain Respondent's medical, mental health or chemical abuse/dependency records from any treating professional or facility.

o. Respondent shall identify a work quality assessor who shall provide quarterly reports to the Board and to the treating physician regarding Respondent's overall work performance.

p. Respondent and a designated Board member or designee shall meet on a quarterly basis. It shall be Respondent's obligation to contact the designated Board member to arrange each of the meetings. The purpose of such meetings shall be to review Respondent's progress under the terms of this Amended Stipulation and Order.



q. After three years from the date of this Order, Respondent may petition the Complaint Review Committee to modify the terms of this paragraph 4, subparagraphs a-l. Respondent shall provide the Complaint Review Committee with documentation of compliance with the Order. The Complaint Review Committee, at its discretion and in consultation with the treating physician, may reduce the frequency of meetings, reports and biological fluid screens required by this Order.

r. This Amended Stipulation and Order will remain in effect for a minimum of five years from June 3, 1994. At the end of this period, Respondent may petition for reinstatement upon proof satisfactory to the Board of five years of documented, uninterrupted recovery. Upon hearing the petition, the Board may continue, modify or remove the conditions set out herein.

s. Upon Board approval of this Amended Stipulation and Order, Respondent shall provide the Board with the addresses and telephone numbers of Respondent's residence and all work sites. Within seven (7) days of any change, Respondent shall provide the Board with new address and telephone number information.

5. Within ten days of the date of this order, Respondent shall provide the Board with a list of all hospitals at which Respondent currently has medical privileges and a list of all states in which Respondent is licensed or has applied for licensure. The information shall be sent to the Board of Medical Practice, Suite 106, 2700 University Avenue West, St. Paul, Minnesota 55114.

6. It is Respondent's responsibility to ensure that all reports required to be filed with the Board pursuant to this Amended Stipulation and Order are timely filed by those preparing the reports. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the license of Respondent to practice medicine and surgery in the State of Minnesota shall be suspended immediately upon written notice by the Board to Respondent. The suspension shall remain in full force and effect until the Board terminates the suspension following a hearing on Respondent's petition to terminate. Nothing contained

herein shall prevent the Board from revoking or suspending Respondent's license to practice medicine and surgery in the State of Minnesota after any such hearing.

7. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.

8. In the event Respondent should leave Minnesota to reside or practice outside the state, Respondent shall promptly notify the Board in writing of the new location as well as the dates of departure and return. Periods of residency or practice outside of Minnesota will not apply to the reduction of any period of Respondent's suspended, limited, or conditioned license in Minnesota unless Respondent demonstrates that practice in another state conforms completely with Respondent's Minnesota license to practice medicine.

9. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter and has chosen to be so represented.

10. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.

11. Respondent hereby acknowledges that she has read and understands this amended stipulation and has voluntarily entered into the amended stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire

agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this amended stipulation.

Dated: \_\_\_\_\_, 1994

Nancy Kermath  
NANCY A. KERMAITH, M.D.  
Respondent

Wm. C. Brucher, Jr.  
FOR THE COMPLAINT REVIEW  
COMMITTEE

Dated: September 7, 1994

Rebecca Egge Moos  
REBECCA EGGE MOOS  
Attorney for Respondent

Linda F. Close  
LINDA F. CLOSE  
Attorney for Board

Bassford & Lockhart  
3550 Multifoods Tower  
Minneapolis, MN 55402  
Telephone: (612) 333-3000

500 Capitol Office Building  
525 Park Street  
St. Paul, Minnesota 55103  
Telephone: (612) 297-2040

Upon consideration of this stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this stipulation are adopted and implemented by the Board this 17<sup>th</sup> day of Sept, 1994.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: A. Edward Boche

**AFFIDAVIT OF SERVICE BY MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

Cynthia Ransom, being first duly sworn, deposes and says:

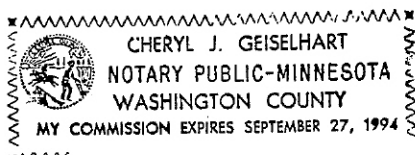
That at the City of St. Paul, County of Ramsey and State of Minnesota, on September 23, 1994, she served the attached AMENDED STIPULATION AND ORDER by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Rebecca Egge Moos  
Bassford, Lockhart, Truesdell & Briggs, P.A.  
3550 Multifoods Tower  
33 S Sixth Street  
Minneapolis MN 55402-3787

Cynthia O Ransom  
Cynthia Ransom

Subscribed and sworn to before me  
this 23rd day of September, 1994.

Meryl J. Geiselhart  
Notary Public



**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1-1-50  
License Number: 27,457

**COMMITTEE ORDER  
AMENDING THE BOARD'S  
AMENDED STIPULATION  
AND ORDER**

**FACTS**

1. During all times herein, Nancy A. Kermath, M.D. ("Respondent") has been and now is subject to the jurisdiction of the Minnesota Board of Medical Practice ("Board") from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. On September 17, 1994, Respondent entered into an Amended Stipulation and Order with the Board based on Respondent's history of her mental illness and chemical dependency to alcohol.

3. On May 4, 1995, Respondent petitioned the Complaint Review Committee of the Board for a reduction of her AA meetings to once per week.

4. The Complaint Review Committee of the Board, having convened on June 1, 1995 to review and consider the above-referenced matter, issues the following:

**COMMITTEE ORDER**

5. Paragraph 4 i., of the Amended Stipulation and Order dated September 17, 1994, is hereby amended to reduce the number of meetings of a self-help program in support of abstinence from four times per week to one time per week. The remainder of the conditions

and restrictions placed on Respondent's license pursuant to the September 17, 1994 Amended Stipulation and Order and all other provisions of the September 17, 1994 Amended Stipulation and Order.

6. This Order of the Committee Amending the Board's Amended Stipulation and Order is adopted this 6<sup>th</sup> day of July, 1995.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

Paul M. Spilseth MD

**AFFIDAVIT OF SERVICE BY MAIL**

Re: **In the Matter of the Medical License of Nancy A. Kermath, M.D.**  
**License Number: 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )


Cynthia O. Ransom, being first duly sworn, deposes and says:

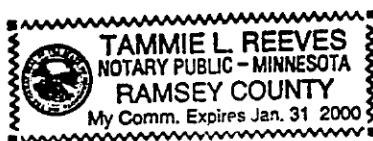
That at the City of St. Paul, County of Ramsey and State of Minnesota, on July 11, 1995, she served the attached COMMITTEE ORDER AMENDING THE BOARD'S AMENDED STIPULATION AND ORDER by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Rebecca Egge Moos, Esq.  
Bassford, Lockhart, Truesdell & Briggs, P.A.  
3550 Multifoods Tower  
33 S Sixth Street  
Minneapolis MN 55402-3787

  
\_\_\_\_\_  
CYNTHIA O. RANSOM

Subscribed and sworn to before me  
this 11th day of July, 1995.

  
\_\_\_\_\_  
Notary Public



**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1-25-50  
License Number: 27,457

**STIPULATION  
AND ORDER**

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.

**FACTS**

2. For the purpose of Board proceedings only, the Board may consider the following facts as true:

a. Respondent has a history of bipolar disorder and chemical dependency.

b. On July 7, 1990, the Board approved a Stipulation and Order conditioning and restricting Respondent's license to practice medicine and surgery based on her bipolar disorder and chemical dependency to alcohol. On November 14, 1992, the Board issued an Order for Unconditional License to Respondent.

c. On June 3, 1994, the Board approved a Stipulation and Consent Order which included a suspension of Respondent's license which was stayed pending inpatient physical and mental evaluation to assess her ability to practice medicine and surgery in the state of Minnesota. The stipulation and order was based on a series of chemical dependency relapses and exacerbations of her bipolar disorder. Specifically, Respondent's chemical dependency relapsed in December 1992, October 1993, December 1993, and March 1994. On March 20, 1994, Respondent self-reported her October and December 1993 chemical



dependency relapses and several manic episodes to the Board. On May 5, 1994, when Respondent met with the Board's Complaint Review Committee, she reported the December 1992 relapse.

d. Respondent underwent inpatient physical and mental evaluation from June 19 to June 24, 1994. Among other things, the assessment team expressed concern about Respondent's past pattern of self-medication and her tendency to co-manage her care. The team recommended close observation of Respondent's medication and a reduction in her hours of work.

e. On September 17, 1994, the Board approved an Amended Stipulation and Order revising the limitations and conditions placed on Respondent's license on June 3, 1994, based on the outcome of the evaluation. The Amended Stipulation and Order, in part, ordered:

- 1) That Respondent obtain a treating physician to monitor all medical or other care provided to Respondent by all health care professionals;
- 2) That Respondent continue psychotherapy with an approved psychiatrist;
- 3) That Respondent abstain completely from all alcohol and all mood-altering chemicals unless they are prescribed by a physician or dentist who has been informed of Respondent's drug use history;
- 4) That Respondent not prescribe or administer any prescription drugs for Respondent's own use or Respondent's family members' use;
- 5) That Respondent attend self-help programs;
- 6) That Respondent be subject, without notice, to unannounced blood and urine tests at the request of Board staff or other Board designee at least twelve times per quarter.

f. Subsequently, the Board referred Respondent to the Health Professional Services Program ("HPSP") for monitoring under the Amended Stipulation and Order.

g. On July 6, 1995, pursuant to paragraph 4 of the Board's Amended Stipulation and Order, the Committee reduced the number of meetings of self-help programs in support of abstinence from four times per week to once per week. The remainder of the conditions and restrictions placed on Respondent's license and the provisions of the September 17, 1994 Amended Stipulation and Order remained in effect. Paragraph 6 sets out the consequences of violation of the order:

If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the license of Respondent to practice medicine and surgery in the State of Minnesota shall be suspended immediately upon written notice by the Board to Respondent.

This Amended Stipulation and Order remains in effect.

h. On February 16, 1996, Respondent presented to the Abbott Northwestern Hospital emergency room following a fall from a horse. In the emergency room, Respondent disclosed her history of bipolar disease to the emergency room physician, but did not disclose her history of chemical dependency. During her emergency room stay, Respondent received Demerol 100 mg. IM, Ativan 1 mg., and an order for Morphine Sulfate as needed. Respondent was admitted to the hospital with a fractured pelvis and discharged on February 20, 1996. During her hospitalization:

1) On February 16, 1996, the on-call physician for the Internist Clinic ("I.C. physician") admitted Respondent by phone with orders which included Demerol 50 to 75 mg. IM every three hours as needed. The I.C. physician did not recall that he was notified by the emergency room physician that Respondent's diagnoses included chemical dependency.

2) On February 17, 1996, the I.C. physician ordered, by telephone, Vicodin 1-2 tabs every four hours, by mouth, as needed; Morphine 1-2 mg. IV every two hours as needed and Vistaril 25 mg. every 3-4 hours by mouth, as needed. He visited Respondent and completed a history on her which included a review of her systems and a social history. Respondent and the I.C. physician talked about her psychiatric illness and its

associated medications. The I.C. physician did not recall that Respondent disclosed her history of chemical dependency to him or that she had been hospitalized for chemical dependency treatment. He would have noted prior hospitalizations in her medical record; none is mentioned.

3) On February 17, 1996, an orthopedic resident saw Respondent and increased her Vistaril from 25-50 mg. IM or PO every 4-6 hours to 25-50 mg. IM or PO every 3-6 hours and added Vicodin 1-2 tabs every 3-4 hours prn. Respondent failed to disclose her history of chemical dependency to him.

i. The emergency room physician and the orthopedic consultant state that they would have provided the same treatment to Respondent had they known of her history of chemical dependency.

j. On February 27, 1996, the orthopedic consultant evaluated Respondent on an out-patient basis and prescribed Percodan 40 tablets to Respondent for pain. Respondent failed to disclose her history of chemical dependency to him.

k. On February 29, 1996, Respondent presented to the emergency room with complaints of severe right-sided pelvic pain that was subsequent to her February 16, 1996 fracture and again saw the same the emergency room physician. Respondent complained that she was having nausea and vomiting with Percodan and that she was not getting pain relief from the Relafen. The emergency room prescribed the following to Respondent: Toradol 30 mg. IV and and a total of 6 mg. morphine IV; upon discharge, Naprosyn 500 mg. twice a day, Vicodin 1 to 2 tablets every six hours for pain and Lorcet tablets 4 times a day prn (14 total). Respondent told him she did not need a prescription for Vicodin because she had some at home. Respondent was sent home without hospital admission. Respondent again failed to disclose her history of chemical dependency to the emergency room physician.

l. On March 1, 1996, the orthopedic consultant reviewed Respondent's x-rays with the radiologist, who confirmed the diagnosis of pelvic fracture. The orthopedic

consultant prescribed Lorcet 20 tablets for her. Respondent again failed to disclose her history of chemical dependency to him.

m. Also on March 1, 1996, Respondent presented to the emergency room with continued pain and was admitted to the hospital. A CT scan showed an additional fracture, of the sacrum. That emergency room physician knew of Respondent's history of chemical dependency but did not chart that information.

n. The weekend following her second visit to the emergency room, Respondent contacted the same emergency room physician stating she was unable to reach her monitoring physician and requested that he order her a few Vicodin until she could see her monitoring physician. He complied with her request and ordered Respondent ten tablets of Vicodin. Respondent again failed to disclose her history of chemical dependency to him.

o. Respondent's treating physician requested consultation by a pain specialist. Respondent's treating physician saw Respondent on March 5 and followed her until discharge. The pain specialist discontinued the Vicodin and morphine sulfate and started Respondent on Oxycontin 20 mg. every twelve hours; Ultram 50 mg. one or two tablets every two to four hours as needed, up to ten per day; one administration of Keterolac 30 mg. IV/IM, then 15 mg. IV/IM every four to six hours as needed up to five days. On March 6, the pain specialist added Percocet one to two tablets every four hours as needed for breakthrough pain.

p. During Respondent's hospitalization, on March 9, a staff nurse found an empty box of Ambien under Respondent's pillow. Respondent told the nurse that it was an old sample box and denied that she ingested them. At the conference with the Complaint Review Committee, Respondent admitted that a friend wheeled her over to her office in the adjoining clinic after clinic hours the day before. Respondent opened a locked medication cabinet, removed a sample of two Ambien tablets and subsequently ingested them. One of Respondent's psychiatrists who saw her during this hospitalization now states that at the time she took the Ambien, Respondent continued to have symptoms of mania. However, she was discharged the same day as the package was found.

q. On March 9, 1996, Respondent was discharged from the hospital on pain medications prescribed by the pain specialist as follows: Oxycontin 30 mg. every eight hours by mouth; Ultram 50 mg one to two tablets by mouth every four hours, maximum eight per day; and Toradol 50 mg IV or IM every six hours for three days.

r. On March 11, 1996, Respondent telephoned the pain specialist and requested a refill of Oxycontin, after using up her prescription of Oxycontin thirty percent early. The pain specialist had a ten minute conversation with Respondent about controlling her use of opioids and his plan to taper her.

s. On March 14, 1996, Respondent telephoned the pain specialist requesting additional pain medications. The pain specialist refused to increase the opioids, but approved Ultram up to eight per day.

t. On March 15, 1996, the orthopedic consultant evaluated Respondent on an out-patient basis. The orthopedic consultant noted that Respondent was improving, walking with and without the aid of a walker. At Respondent's request, the orthopedic consultant ordered Percodan 40 tablets for her. Respondent again failed to disclose her history of chemical dependency to the orthopedic consultant and failed to disclose that the pain specialist was tapering her opioids and had refused them the day before.

u. On March 18, 1996, Respondent saw the pain specialist as an outpatient. Respondent told the pain specialist that she had run out of Ultram but did not fill his prescription. The pain specialist recommended that Respondent continue the tapering doses of Oxycontin but did agree to provide one-week supply of two doses of Tylenol #3 per day (#14) and Flexaril 10 mg (#15) for evening use. Respondent did not tell the pain specialist she had received 40 Percodan from the orthopedic consultant on March 15.

v. On April 8, 1996, Respondent telephoned the pain specialist and told him that over the weekend she called in a prescription of Ultram 50 mg. for herself. The pain specialist agreed to approve the prescription and added one additional refill to it.

w. In September 1994, Respondent was taking Synthroid 0.2 mg. Respondent's treating physician reduced the Synthroid dosage in October 1994 to 0.175 mg. and in January 1995 to 0.15 mg. Upon Respondent's hospital admission in February 1996, Respondent was taking Synthroid 0.2 mg. At the conference Respondent told the Committee that her psychiatrist had approved this increase. However, Respondent's psychiatrist did not prescribe Synthroid for Respondent or change the treating physician's dosage, and did not know that Respondent was taking a dosage of Synthroid greater than that recommended or prescribed by the treating physician.

x. In February 1995, Respondent adjusted a dose of Effexor without consulting her psychiatrist. She informed him subsequently.

y. In June 1996, Respondent met with her psychiatrist. Respondent reported that she had restarted herself on a dose of Wellbutrin without contacting him first. Respondent recalls discussing with the psychiatrist restarting the Wellbutrin at the previous appointment with him.

z. Respondent violated the September 17, 1994 Amended Stipulation and Order in that:

- 1) Respondent failed to inform physicians who were providing medical care and prescribing mood-altering chemicals of her history of chemical dependency.
- 2) Respondent inappropriately self-prescribed with the usage of Ambien.
- 3) Respondent inappropriately self-prescribed when she increased her dosage of Oxycontin without a prescription.
- 4) Respondent inappropriately self-prescribed when she independently discontinued Ultram by not filling the prescription.
- 5) Respondent inappropriately self-prescribed when she increased her Synthroid from .15 mg. to .2 mg. without a prescription.

6) Respondent inappropriately self-prescribed when she resumed use of a dose of Wellbutrin without first consulting with her psychiatrist.

7) Respondent inappropriately self-prescribed when she adjusted a dose of Effexor without first consulting her psychiatrist.

### **STATUTES**

3. The Board views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(f) and (l) (1994) and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action.

### **REMEDY**

4. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter order suspending Respondent's license to practice medicine and surgery in the State of Minnesota. Such suspension shall be stayed pending Respondent's compliance with the following terms and conditions:

a) Respondent shall obtain a treating physician, who shall be a psychiatrist knowledgeable in the areas of both bipolar disorder and chemical dependency, approved in advance by the Complaint Review Committee or its designee, to monitor and/or manage all medical or other care provided to Respondent by all health care professionals. Respondent shall provide all necessary records releases to enable Respondent's health care professionals to communicate both orally and in writing with each other and with the treating physician pursuant to this paragraph. The treating physician shall provide quarterly reports to the Board and to the work quality assessor summarizing medical or other care provided to Respondent by each health professional during the quarter and addressing Respondent's progress under any terms of this Second Amended Stipulation and Order relating to Respondent's health status and recovery.

b) Respondent shall provide a copy of this Second Amended Stipulation and Order to all treating health professionals and each health professional shall notify the Board in writing that he/she has received and understands the Second Amended Stipulation and Order.

c) Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed by a physician or dentist who has been informed of Respondent's drug use history.

d) Respondent shall abstain completely from over-the-counter medications unless they are approved in advance by her treating physician.

e) Respondent shall not prescribe or administer any prescription drug or drug sample for Respondent's own use or for Respondent's family members' use.

f) Respondent shall be subject, without notice, to unannounced blood and urine tests at the request of Board staff or other Board designee at least 12 times per quarter. Blood and urine screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The blood and urine screens shall be:

1) Collected and tested consistent with protocols established by a Board-designated laboratory;

2) Handled through legal chain of custody methods;

3) Paid for by Respondent.

g) The biological fluid collection and testing shall take place at a Board-designated laboratory as directed by the Board or its designee. Testing shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol and Ambien. The laboratory will provide test results directly to the Board and Respondent's treating physician. Ingestion of poppyseeds will not be accepted as a reason for a positive drug screen.

h) Respondent shall continue in psychotherapy, with a therapist approved in advance by the Complaint Review Committee or its designee. The therapist shall



submit quarterly reports to the Board and to the treating physician regarding Respondent's progress.

i) Respondent shall attend meetings of a self-help program such as AA or NA in support of abstinence at least once per week. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding attendance and participation.

j) Respondent shall attend meetings sponsored by the Minnesota Depressive and Manic-Depressive Association at least four times per month. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding attendance and participation.

k) Respondent shall attend monthly meetings of a professional support group such as PSP, approved in advance by the Complaint Review Committee or its designee. Quarterly reports shall be submitted to the Board from Respondent's designated sponsor(s) regarding Respondent's attendance and participation.

l) Respondent shall provide to the Board and the treating physician a copy of any treatment or aftercare plan which is in effect at the time of execution of this Stipulation and Order or which is modified or becomes effective during the time Respondent is subject to this Stipulation and Order. The treatment or aftercare plan and any modifications to it shall be approved by the treating physician and shall include at least the following:

- 1) The treatment or aftercare plan activities;
- 2) The name, address, and telephone number for each provider of treatment or aftercare services.

m) The terms of any such treatment or aftercare plan or approved modification thereto, to the extent not superseded by this order, are herewith incorporated by reference. Failure to follow the plan or approved modification shall constitute violation of this order.

n) Upon request by the Board, Respondent shall sign releases authorizing the Board to obtain Respondent's medical, mental health or chemical abuse/dependency records from any treating professional or facility.

o) Respondent and a designated Board member or designee shall meet on a quarterly basis. It shall be Respondent's obligation to contact the designated Board member to arrange each of the meetings. The purpose of such meetings shall be to review Respondent's progress under the terms of this Stipulation and Order.

p) Respondent shall identify a work quality assessor, approved in advance by the Committee, who shall provide quarterly reports to the Board and to the treating physician regarding Respondent's overall work performance. Respondent shall provide the work quality assessor a copy of this Second Amended Stipulation and Order within 30 days of approval by the Committee. The work quality assessor shall notify the Board in writing in the first quarterly report that s/he has reviewed and understands the Second Amended Stipulation and Order. Respondent shall sign releases authorizing the treating physician and the work quality assessor to communicate both orally and in writing with each other. Communication shall include periodic assessment of Respondent's workload and hours of work, and their effect on her overall health status and recovery.

q) Respondent shall not work more than forty hours per week.

r) Respondent shall limit her practice to a group setting, approved in advance by the Complaint Review Committee.

s) Respondent shall not have access to sample medications.

t) After three years from the date of this Order, Respondent may petition the Complaint Review Committee to modify the terms of subparagraphs a, f, and h-k of this paragraph 4. Respondent shall provide the Committee with documentation of compliance with the Order. The Committee, at its discretion and in consultation with the treating physician and the work quality assessor, may at that time reduce the frequency of meetings, reports and biological fluid screens required by this Order.

u) Respondent shall pay to the Board a civil penalty of \$4,000.00.

v) This Second Amended Stipulation and Order will remain in effect for a minimum of five years from the date of this Order. At the end of this period, Respondent may petition for reinstatement of an unrestricted license upon recommendation by Respondent's treating physician and psychotherapist, and upon proof, satisfactory to the Board, of five years of documented, uninterrupted recovery. Upon hearing the petition, the Board may continue, modify or remove the conditions set out herein.

5. Upon Board approval of this Second Amended Stipulation and Order, Respondent shall provide the Board with the addresses and telephone numbers of Respondent's residence and all work sites. Within seven (7) days of any change, Respondent shall provide the Board with new address and telephone number information.

6. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the license of Respondent to practice medicine and surgery in the State of Minnesota shall be suspended immediately upon written notice by the Committee to Respondent, such a suspension to remain in full force and effect until Respondent demonstrates to the Committee that she has come into full compliance with each term of this order. If Respondent's failure to comply involves violation of paragraph 4, subparagraphs c-e, the suspension shall remain in effect for a minimum of three months. At the end of three months, Respondent may petition for reinstatement of the stayed suspension upon recommendation of her treating physician and proof satisfactory to the Committee of at least three months of documented, uninterrupted sobriety and abstention from all unprescribed medications. The Committee may continue, modify or remove the conditions upon hearing the petition.

7. Should Respondent dispute the factual basis for any suspension, she may appear before the Committee and present affidavits and documents. The Committee may find a violation based on a preponderance of the evidence. The Committee may continue, modify or remove the suspension based on the evidence before them. Respondent may not dispute the

remedy imposed. Should Respondent continue to dispute the factual basis for a suspension, she may appear before the Board and present affidavits and documents. The Board may find a violation based on a preponderance of the evidence. The Board's decision shall be final and not subject to appeal or additional procedures under Minnesota Statutes chapters 14 or 214.

8. Within ten days of the date of this order, Respondent shall provide the Board with a list of all hospitals at which Respondent currently has medical privileges and a list of all states in which Respondent is licensed or has applied for licensure. The information shall be sent to the Board of Medical Practice, Suite 106, 2700 University Avenue West, St. Paul, Minnesota 55114.

9. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.

10. In the event Respondent should leave Minnesota to reside or practice outside the state, Respondent shall promptly notify the Board in writing of the new location as well as the dates of departure and return. Periods of residency or practice outside of Minnesota will not apply to the reduction of any period of Respondent's suspended, limited, or conditioned license in Minnesota unless Respondent demonstrates that practice in another state conforms completely with Respondent's Minnesota license to practice medicine.

11. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter and has been represented by Rebecca Egge Moos.

12. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.


13. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.


Dated: 9/11, 1996

  
NANCY A. KERMAITH, M.D.  
Respondent

  
FOR THE COMPLAINT REVIEW  
COMMITTEE

Dated: September 11, 1996

  
REBECCA EGGE MOOS  
Attorney for Respondent

  
SARAH G. MULLIGAN  
Attorney for Board

Bassford & Lockhart  
3550 Multifoods Tower  
Minneapolis, MN 55402

500 Capitol Office Building  
525 Park Street  
St. Paul, Minnesota 55103

Telephone: (612) 333-3000

Telephone: (612) 297-1050

#### ORDER

Upon consideration of this stipulation and all the files, records, and proceedings herein,  
IT IS HEREBY ORDERED that Respondent's license to practice medicine and surgery in the State of Minnesota is SUSPENDED, such suspension to be stayed upon compliance with the terms and conditions set out in the stipulation hereinabove.

IT IS FURTHER ORDERED that all terms of this Stipulation and Order are adopted and implemented by the Board this 14th day of September, 1996.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: Robert J. O'Neil

**AFFIDAVIT OF SERVICE BY MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

Cynthia O. Ransom, being first duly sworn, deposes and says:

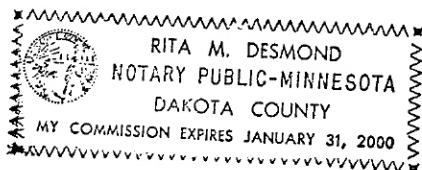
That at the City of St. Paul, County of Ramsey and State of Minnesota, on September 24, 1996, she served the attached STIPULATION AND ORDER, by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Rebecca Egge Moos  
Bassford, Lockhart, Truesdell & Briggs  
3550 Multifoods Tower  
33 South Sixth Street  
Minneapolis, MN 55402

  
\_\_\_\_\_  
CYNTHIA O. RANSOM

Subscribed and sworn to before me  
September 24, 1996.

  
\_\_\_\_\_  
Notary Public



**TRUE AND EXACT  
COPY OF ORIGINAL**

**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1/25/50  
License Number: 27,457

**COMMITTEE'S ORDER  
AMENDING THE BOARD'S  
STIPULATION AND ORDER**

**FACTS**

1. During all times herein, Nancy A. Kermath, M.D. ("Respondent"), has been and now is subject to the jurisdiction of the Minnesota Board of Medical Practice ("Board") from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. On September 14, 1996, the Board issued a Stipulation and Order, based on Respondent's history of chemical dependency and bipolar disorder, and which placed Respondent's medical license in a suspended status for six months. The suspension was stayed provided Respondent complied with the terms and conditions set forth in the Stipulation and Order.

3. The Stipulation and Order requires, in part, that Respondent is subject to unannounced blood and urine tests at least 12 times per quarter and that Respondent must attend meetings sponsored by the Minnesota Depressive and Manic-Depressive Association ("MDMDA") at least four times per month.

4. The Stipulation and Order specifies that after three years from the date of the Order, Respondent may petition the Complaint Review Committee ("Committee") to modify certain requirements of the Stipulation and Order, provided Respondent demonstrates compliance with the terms and conditions of the Stipulation and Order.

5. By letter dated October 9, 2000, Respondent petitioned the Committee for reduced monitoring of her chemical dependency and mental health status, pursuant to her



Stipulation and Order. The Board received documentation from Respondent's treating health professionals and support group sponsors verifying Respondent's participation in her recovery programs and compliance with the terms and conditions of the Stipulation and Order.

6. The Committee, having convened on December 8, 2000, to review and consider the above-referenced matter, issues the following:

#### ORDER

7. IT IS HEREBY ORDERED that paragraph 4.f. of the September 14, 1996, Stipulation and Order is amended to reduce the minimum number of required biological fluid screens from twelve to six per quarter, and paragraph 4.j. is amended to reduce the minimum number of required MDMDA meetings from four times per month to once per month.

The remainder of the conditions and restrictions placed on Respondent's license, pursuant to the September 14, 1996, Stipulation and Order, shall remain in full force and effect.

8. IT IS FURTHER ORDERED that this Committee's Order Amending the Board's Stipulation and Order dated September 14, 1996, is hereby adopted and implemented this 20th day of December, 2000.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

By: B. L. Lounsbury M.D.

AG: 438607, v. 01

AFFIDAVIT OF SERVICE BY U.S. MAIL

Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

TAMMIE L. REEVES, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on December 21, 2000, s/he caused to be served the COMMITTEE'S ORDER AMENDING THE BOARD'S STIPULATION AND ORDER, by depositing the same in the United States mail at said city and state, true and correct copy(ies) thereof, properly enveloped with prepaid first-class postage, and addressed to:

PERSONAL AND CONFIDENTIAL

NANCY A KERMAH MD  
6408 W SHORE DR  
EDINA MN 55435-1526

*Tammie L. Reeves*

TAMMIE L. REEVES

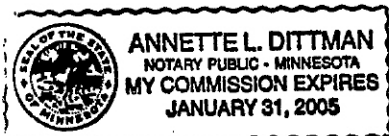
Subscribed and sworn to before me

this 21st day of December, 2000.

*Annette L. Dittman*

NOTARY PUBLIC

AG: 441956, v. 01



**TRUE AND EXACT  
COPY OF ORIGINAL**

**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1/25/50  
License Number: 27,457

**ORDER OF  
UNCONDITIONAL LICENSE**

The Minnesota Board of Medical Practice ("Board"), having convened on September 8, 2001, to review the petition of Nancy A. Kermath, M.D. ("Respondent") for reinstatement of an unconditional license to practice medicine and surgery, makes the following:

**FINDINGS OF FACT**

1. By Stipulation and Order dated September 14, 1996 ("1996 Order"), the Board conditioned and restricted Respondent's license to practice medicine and surgery in the State of Minnesota, for a minimum of five years. The 1996 Order was based on Respondent's history of chemical dependency and bipolar disorder.
2. The 1996 Order required abstinence from alcohol and mood altering chemicals, random blood and urine screens, payment of a civil penalty, practice of no more than 40 hours per week in a pre-approved group setting, and quarterly reports verifying Respondent's compliance with a number of monitoring requirements.
3. By Committee's Order Amending the Board's Stipulation and Order, dated December 20, 2000 ("Committee's Order"), monitoring requirements of Respondent's 1996 Order were modified to reduce the number of required blood and urine screens and the frequency of attendance at Minnesota Depressive and Manic-Depressive Association meetings.

4. The Board has received reports verifying Respondent's compliance with the terms and conditions of the 1996 Order as modified by the Committee's Order.

Based on the foregoing, the Board concludes that Respondent has complied with and fulfilled the Stipulation and Order issued by the Board on September 14, 1996, as modified by the Committee's Order Amending the Board's Stipulation and Order dated December 20, 2000, and hereby issues the following:

**ORDER**

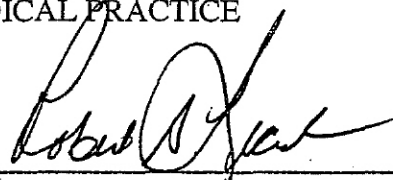
IT IS HEREBY ORDERED that an unconditional license to practice medicine and surgery in the State of Minnesota be conferred upon Respondent, such license to carry all duties, benefits, responsibilities, and privileges inherent therein through Minnesota statute and rule.

Dated: September 8, 2001.

MINNESOTA BOARD OF

MEDICAL PRACTICE

By: \_\_\_\_\_



**AFFIDAVIT OF SERVICE BY MAIL**

**RE: In the Matter of the License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )


Sarah Glasow, being first duly sworn, deposes and says:

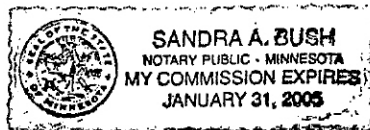
That at the City of St. Paul, County of Ramsey and State of Minnesota, on September 10, 2001, she served the attached ORDER OF UNCONDITIONAL LICENSE by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

Nancy A. Kermath, M.D.  
6408 West Shore Drive  
Edina, MN 55435-1526

  
SARAH C. GLASOW

Subscribed and sworn to before me  
this 10<sup>th</sup> day of September, 2001.

  
Notary Public



TRUE AND EXACT  
COPY OF ORIGINAL

BEFORE THE MINNESOTA

BOARD OF MEDICAL PRACTICE

In the Matter of the  
Medical License of  
Nancy Ann Johnson Kermath, M.D.  
Date of Birth: 1/25/50  
License Number: 27,457

STIPULATION AND ORDER  
FOR INDEFINITE SUSPENSION

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Complaint Review Committee ("Committee") of the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter. Respondent has chosen to be represented by John W. Lundquist, Fredrikson & Byron, 1100 International Centre, 900 Second Avenue South, Minneapolis, Minnesota 55402, telephone (612) 347-7000. The Committee was represented by Nathan W. Hart, Assistant Attorney General, 1400 NCL Tower, 445 Minnesota Street, St. Paul, Minnesota 55101, telephone (651) 296-7575.

FACTS

3. For the purpose of this stipulation, the Board may consider the following facts as true. However, it is the intent of the parties that this Stipulation and Order and the provisions set forth herein shall have no collateral estoppel effect, res judicata effect, or other preclusive effect, and no evidentiary value in any action or proceeding in any forum or process other than proceedings before the Minnesota Board of Medical Practice or another authorized licensing board or licensing agency. Nothing in this paragraph shall limit or affect the Board's obligation to fulfill any reporting requirements.

a. Respondent is a 52-year-old physician who has been licensed by the Board since January 8, 1983. Respondent is Board-certified in psychiatry.

b. Respondent has a history of bipolar disorder and chemical dependency with relapses.

c. On December 12, 2001, the Board received information that Respondent was reducing her medications without seeing her psychiatrist and had written two prescriptions for narcotics in the name of another individual for her own use. Respondent also wrote a prescription for Concerta™ for her own use, using the name of one of her colleagues.

d. By letter dated December 19, 2001, Respondent informed the Board she had a recent relapse of her bipolar disorder. Respondent stated she had a manic episode resulting from a total hysterectomy she underwent on November 1, 2001. Respondent stated she had taken a medical leave and would not practice medicine until this matter was resolved.

e. Respondent was contacted by an investigator from the Minnesota Attorney General's Office and asked to sign releases for her medical records and to schedule an interview. Respondent's attorney and treating psychiatrist informed the investigator Respondent was medically unable to grant an interview at this time. The Committee scheduled a conference with Respondent for February 22, 2002. Respondent's attorney has requested a continuance, pending an improvement in Respondent's medical condition.

### STATUTES

3. The Committee views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(l) and (r) (2000), and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify action under these statutes.

### REMEDY

4. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the

Board's own motion, the Board may make and enter an order INDEFINITELY SUSPENDING Respondent's license to practice medicine and surgery in the State of Minnesota, effective immediately. During the period of suspension, Respondent shall not engage in the practice of medicine and surgery in Minnesota. Respondent shall immediately cease to advertise or otherwise represent herself in any manner to be a licensee in this state.

5. This Stipulation and Order is not intended to be the final resolution of the allegations contained herein, and the conference scheduled for February 22, 2002 is continued indefinitely. Upon notification to the Committee by Respondent that her medical condition has sufficiently improved, Respondent shall appear before the Committee pursuant to a Notice of Conference, which shall be served on Respondent no less than 30 days prior to the date of the conference. In addition to the allegations contained herein, the Notice of Conference shall contain all other unresolved allegations of misconduct on the part of Respondent.

6. After the conference referenced in paragraph 5 above, in the event Respondent and the Committee are unable to reach an agreement for resolution of the allegations of misconduct contained in the Notice of Conference and the status of Respondent's license to practice medicine and surgery in Minnesota, Respondent may request and the Board shall initiate a contested case hearing. The hearing shall be conducted in accordance with the Minnesota Administrative Procedure Act and pertinent rules of the Office of Administrative Hearings.

7. This Stipulation and Order will remain in effect until amended, modified, vacated or removed by subsequent Board order.

8. Respondent shall sign all necessary releases allowing the Board access to all medical, mental health, evaluation, therapy, chemical dependency, or other records from any treating professional, evaluator, or facility. Respondent shall allow the Board or its designee to communicate with all the treating and evaluating health professionals.

9. Within ten days of the date of this Order, Respondent shall provide the Board with a list of all hospitals and skilled nursing facilities at which Respondent currently has medical privileges, a list of all states in which Respondent is licensed or has applied for



licensure, and the addresses and telephone numbers of Respondent's residences. Within seven (7) days of any change, Respondent shall provide the Board with the new address and telephone information. The information shall be sent to Robert A. Leach, Minnesota Board of Medical Practice, University Park Plaza, 2829 University Avenue S.E., Suite 400, Minneapolis, Minnesota 55414-3246.

10. In the event Respondent resides or practices outside the State of Minnesota, Respondent shall promptly notify the Board in writing of the location of her residence. Periods of residency or practice outside of Minnesota will not be credited toward any period of Respondent's suspended license in Minnesota.

11. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the Committee shall schedule a hearing before the Board. The Committee shall mail Respondent a notice of the violation alleged by the Committee and of the time and place of the hearing. Respondent shall submit a response to the allegations at least three days prior to the hearing. If Respondent does not submit a timely response to the Board, the allegations may be deemed admitted.

At the hearing before the Board, the Committee and Respondent may submit affidavits made on personal knowledge and argument based on the record in support of their positions. The evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Order. Respondent waives a hearing before an administrative law judge and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

At the hearing, the Board will determine whether to impose additional disciplinary action, including additional conditions or limitations on Respondent's practice, or suspension or revocation of Respondent's license.

12. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that

should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.


13. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.

14. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.

15. This Stipulation and Order is a public document.

Dated: 2/22, 2002

Dated: 9 March, 2002

  
NANCY ANN JOHNSON KERMATH, M.D.  
Respondent

  
FOR THE COMMITTEE

**ORDER**

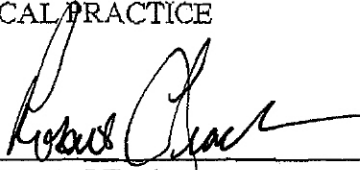
Upon consideration of this stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this stipulation are adopted and implemented by the Board this 9<sup>th</sup> day of March, 2002.

MINNESOTA BOARD OF

MEDICAL PRACTICE

By: \_\_\_\_\_

  
ROBERT A. LEACH  
Executive Director

AG: 549749, v. 01

**AFFIDAVIT OF SERVICE BY U.S. MAIL**

**Re: In the Matter of the Medical License of Nancy Ann Johnson Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF RAMSEY    )

TAMMIE L. REEVES, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on March 12, 2002, s/he caused to be served the STIPULATION AND ORDER FOR INDEFINITE SUSPENSION, by depositing the same in the United States mail at said city and state, true and correct copy(ies) thereof, properly enveloped with prepaid first-class postage, and addressed to:

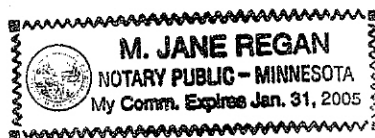
JOHN W LUNDQUIST  
FREDRIKSON & BYRON  
1100 INTERNATIONAL CENTRE  
900 SECOND AVE S  
MINNEAPOLIS MN 55402

*Tammie L. Reeves*  
TAMMIE L. REEVES

Subscribed and sworn to before me

this 12<sup>th</sup> day of March, 2002.

*M. Jane Regan*  
NOTARY PUBLIC  
AG: 556295, v. 01



**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

**TRUE AND EXACT  
COPY OF ORIGINAL**

In the Matter of the  
Medical License of  
Nancy Ann Johnson Kermath, M.D.  
Date of Birth: 1/25/50  
License Number: 27,457

**STIPULATION AND ORDER**

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Complaint Review Committee ("Committee") of the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.
2. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter. Respondent has chosen to be represented by John W. Lundquist, Fredrikson & Byron, 4000 Pillsbury Center, 200 Sixth Street South, Minneapolis, Minnesota 55402-1425, telephone (612) 492-7000. The Committee was represented by Nathan W. Hart, Assistant Attorney General, 1400 NCL Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2131, telephone (651) 296-7575.

**FACTS**

3. For the purpose of this stipulation, the Board may consider the following facts as true:
  - a. Respondent is a 53-year-old physician who has been licensed by the Board since January 8, 1983. Respondent is Board-certified in psychiatry.
  - b. Respondent has a history of bipolar disorder and chemical dependency with relapses. On July 7, 1990, the Board approved a Stipulation and Order conditioning and restricting Respondent's license to practice medicine and surgery based on her bipolar disorder

and chemical dependency to alcohol. On November 14, 1992, the Board issued an Order for Unconditional License to Respondent.

c. On June 3, 1994, the Board approved a Stipulation and Order, which included a suspension of Respondent's license that was stayed pending inpatient physical and mental evaluations of Respondent. The Stipulation and Order was based on a series of chemical dependency relapses and exacerbations of Respondent's bipolar disorder in December 1992, December 1993, and March 1994.

d. Respondent underwent inpatient physical and mental evaluations in June 1994. The assessment team, among other things, expressed concern about Respondent's past pattern of self-medication. On September 17, 1994, the Board approved an Amended Stipulation and Order further restricting Respondent's license based on the evaluation results. On July 6, 1995, the Board reduced the number of required self-help program meetings per week but retained all other provisions of the September 1994 Amended Order.

e. On September 14, 1996, the Board issued a Stipulation and Order based on Respondent's violation of the September 1994 Amended Order with regard to chemical dependency relapses on controlled-substance medications and exacerbation of Respondent's bipolar disorder. The Board again suspended Respondent's license for six months. The suspension was stayed provided Respondent complied with the new terms and conditions established by the September 1996 Order.

f. On October 9, 2000, Respondent petitioned the Committee for reduced monitoring. On December 20, 2000, the Committee issued an Order Amending the September 1996 Order to reduce the minimum required number of biological fluid screens and the minimum frequency of meeting attendance.

g. In December 2001, the Board received information that Respondent was reducing her medications without the knowledge of her psychiatrist and had written two prescriptions for narcotics in the name of another individual for her own use. Respondent also self-prescribed Concerta™ using the name of one of her colleagues.

h. In December 2001, Respondent also self-reported to the Board a recent relapse of her bipolar disorder. Respondent stated she had a manic episode resulting from a total hysterectomy she underwent in November 2001. Respondent stated she had taken a medical leave and would not practice medicine until this matter was resolved. Respondent's attorney and treating psychiatrist informed the Board's investigator that Respondent was unable to submit to an interview at that time because of her active bipolar disorder symptoms.

i. On March 9, 2002, the Board approved a Stipulation and Order ("March 2002 Order") indefinitely suspending Respondent's license based upon impairment and reserving the allegations set forth in paragraph 2.g. above for later disposition after receiving notification from Respondent that her medical condition had improved sufficiently to allow her to appear before the Committee and respond to the allegations.

j. In May 2002, Respondent altered a prescription from her psychiatrist for Ambien from a 20-day to a 30-day supply without her psychiatrist's knowledge. On or about May 23, 2002, Respondent was hospitalized after experiencing a recurrence of symptoms of her bipolar disorder.

k. By letter to the Minnesota Attorney General's Office dated July 25, 2002, Respondent admitted to the conduct set forth in paragraph 2.g. above, which occurred during an acute manic episode following a total hysterectomy in November 2001. With respect to the altered prescription for Ambien set forth in paragraph 2.j. above, Respondent stated she had not been sleeping well for weeks and "impulsively" altered a prescription for 20 days' worth of Ambien so that she would receive 30 days' worth of the medication.

l. On February 13, 2003, Respondent met with the Committee to discuss her medical condition and her conduct described above. Respondent provided the Committee with information on the stabilization of her medical condition.

### STATUTES

4. The Committee views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(l) and (r) (2000), and Respondent

agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify action under these statutes.

### **REMEDY**

5. Upon this Stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an order conditioning and restricting Respondent's license to practice medicine and surgery in the State of Minnesota as follows:

a. The March 2002 Order, indefinitely suspending Respondent's license to practice medicine and surgery in the State of Minnesota, is rescinded.

b. Respondent shall obtain a primary treating physician, who shall be a psychiatrist knowledgeable in the areas of both bipolar disorder and chemical dependency, approved in advance by the Committee or its designee, to monitor and/or manage all medical or other care provided to Respondent by all health care professionals. Respondent shall provide all necessary records releases to enable Respondent's health care professionals, including her secondary treating physician, to communicate both orally and in writing with the primary treating physician pursuant to this paragraph. The primary treating physician shall provide quarterly reports to the Board or its designee, and to the work quality assessor, summarizing medical or other care provided to Respondent by each health care professional during the quarter and addressing Respondent's progress under any terms of this Stipulation and Order relating to Respondent's health status and recovery.

c. Respondent shall obtain a second treating physician, approved in advance by the Committee or its designee, who shall provide general (non-psychiatric) medical care to Respondent. The second treating physician will not be required to file regular reports with the Board but shall provide reports to the primary treating physician upon request.



d. Respondent shall provide a copy of this Stipulation and Order to all of her treating health care professionals, and each health care professional shall notify the Board in writing that (s)he has received and understands this Stipulation and Order.

e. Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed and/or approved by a physician or dentist who has first been informed of Respondent's mental health and chemical dependency history.

f. Respondent shall abstain completely from over-the-counter medications unless they are approved in advance by her primary treating physician.

g. Respondent shall not prescribe or administer any prescription drug or drug sample for Respondent's own use or for Respondent's family members' use.

h. Respondent shall be subject, without notice, to unannounced blood and/or urine tests at the request of the Board or its designee at least 12 times per quarter. Blood and urine screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The blood and urine screens shall be:

1) Collected and tested consistent with protocols established by a Board-designated laboratory;

2) Handled through legal chain-of-custody methods; and

3) Paid for by Respondent.

i. The biological fluid collection and testing shall take place as directed by the Board or its designee. Testing shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol. The laboratory will provide test results directly to the Board or its designee and to Respondent's treating physician. Ingestion of poppy seeds will not be accepted as a reason for a positive drug screen.

j. Respondent shall continue in psychotherapy with a therapist approved in advance by the Committee or its designee. The therapist shall submit quarterly reports to the Board or its designee and to the primary treating physician regarding Respondent's diagnosis and

progress in therapy. Termination of therapy shall be at the written recommendation of the approved therapist, with the approval of the primary treating physician and the Committee.

k. Respondent shall attend meetings of a self-help program such as AA or NA at least once per week. Quarterly reports shall be submitted to the Board or its designee from Respondent's designated sponsor(s) regarding attendance and participation.

l. Respondent shall attend meetings sponsored by the Minnesota Depressive and Manic-Depressive Association at least two times per month. Quarterly reports shall be submitted to the Board or its designee from Respondent's designated sponsor(s) regarding attendance and participation.

m. Respondent shall attend monthly meetings of a professional support group such as PSP approved in advance by the Committee or its designee. Quarterly reports shall be submitted to the Board or its designee from Respondent's designated sponsor(s) regarding Respondent's attendance and participation.

n. Respondent shall provide to the Board and to the primary treating physician a copy of any treatment and/or aftercare plan which is in effect at the time of execution of this Stipulation and Order, or which is modified or becomes effective during the time Respondent is subject to this Stipulation and Order. The treatment/aftercare plan, and any modifications to it, shall be approved by the primary treating physician and shall include at least the following:

- 1) The treatment/aftercare plan activities; and
- 2) The name, address, and telephone number for each provider of treatment/aftercare services.

o. The terms of any such treatment/aftercare plan, or approved modifications thereto, to the extent not superseded by this Order, are herewith incorporated by reference. Failure to follow the plan shall constitute a violation of this Order.

p. Upon request by the Board or its designee, Respondent shall sign releases authorizing the Board to obtain Respondent's medical, mental health, or chemical abuse/dependency records from any treating professional or facility.

q. Respondent and a designated Board member or designee shall meet on a quarterly basis. It shall be Respondent's obligation to contact the designated Board member to arrange each of the meetings. The purpose of such meetings shall be to review Respondent's progress under the terms and conditions of this Stipulation and Order.

r. Respondent shall identify a work quality assessor, approved in advance by the Committee or its designee, who shall provide quarterly reports to the Board or its designee and to the primary treating physician regarding Respondent's overall work performance. Respondent shall provide the work quality assessor a copy of this Stipulation and Order within 30 days of the date this Stipulation and Order is adopted by the Board. The work quality assessor shall notify the Board or its designee in writing in the first quarterly report that (s)he has reviewed and understands the Stipulation and Order. Respondent shall sign releases authorizing the primary treating physician and the work quality assessor to communicate both orally and in writing with each other. Communication shall include periodic assessment of Respondent's workload and hours of work and their effect on her overall health status and recovery.

s. Respondent shall not work more than 40 hours per week.

t. Respondent shall limit her practice to a group setting, approved in advance by the Committee or its designee.

u. Respondent shall not have access to sample medications.

v. After three years from the date this Stipulation and Order is adopted by the Board, Respondent may petition the Committee to modify the terms of paragraphs 5.b., 5.c., 5.h., and 5.l. Respondent shall provide the Committee or its designee with documentation of compliance with the Order. The Committee, at its discretion and in consultation with the primary treating physician and the work quality assessor, may at that time reduce the frequency of meetings, reports, and biological fluid screens required by the Order.

w. This Stipulation and Order will remain in effect for a minimum of five years from the date this Stipulation and Order is adopted by the Board. At the end of this period, Respondent may petition for reinstatement of an unrestricted license upon recommendation by Respondent's primary treating physician and psychotherapist, and upon proof, satisfactory to the Board, of five consecutive years of documented, uninterrupted recovery. Upon hearing the petition, the Board may continue, modify, or remove the conditions and restrictions set out herein.

6. Within ten days of the date of this Order, Respondent shall provide the Board with a list of all hospitals and skilled nursing facilities at which Respondent currently has medical privileges, a list of all states in which Respondent is licensed or has applied for licensure, and the addresses and telephone numbers of Respondent's residences. Within seven (7) days of any change, Respondent shall provide the Board with the new address and telephone information. The information shall be sent to Robert A. Leach, Minnesota Board of Medical Practice, University Park Plaza, 2829 University Avenue S.E., Suite 400, Minneapolis, Minnesota 55414-3246.

7. In the event Respondent resides or practices outside the State of Minnesota, Respondent shall promptly notify the Board in writing of the location of her residence. Periods of residency or practice outside of Minnesota will not be credited toward any period of Respondent's suspended license in Minnesota.

8. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the Committee shall schedule a hearing before the Board. The Committee shall mail Respondent a notice of the violation alleged by the Committee and of the time and place of the hearing. Respondent shall submit a response to the allegations at least three days prior to the hearing. If Respondent does not submit a timely response to the Board, the allegations may be deemed admitted.

At the hearing before the Board, the Committee and Respondent may submit affidavits made on personal knowledge and argument based on the record in support of their

positions. The evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Order. Respondent waives a hearing before an administrative law judge and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

At the hearing, the Board will determine whether to impose additional disciplinary action, including additional conditions or limitations on Respondent's practice, or suspension or revocation of Respondent's license.

9. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.

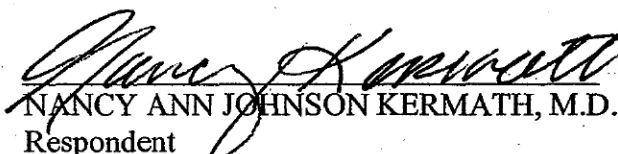
10. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.

11. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.

12. This Stipulation and Order is a public document.

Dated: March 4, 2003

Dated: March 8, 2003

  
NANCY ANN JOHNSON KERMATH, M.D.  
Respondent

  
FOR THE COMMITTEE

**ORDER**

Upon consideration of this stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this stipulation are adopted and implemented by the Board this 8th day of March, 2003.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: 

ROBERT A. LEACH  
Executive Director

AG: #811699-v1

**AFFIDAVIT OF SERVICE BY U.S. MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA   )  
  ) ss.  
COUNTY OF RAMSEY   )

TAMMIE L. REEVES, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on March 10, 2003, s/he caused to be served the STIPULATION AND ORDER, by depositing the same in the United States mail at said city and state, true and correct copy(ies) thereof, properly enveloped with prepaid first-class postage, and addressed to:

JOHN W LUNDQUIST  
FREDRIKSON & BYRON  
4000 PILLSBURY CTR  
200 SIXTH ST S  
MINNEAPOLIS MN 55402-1425

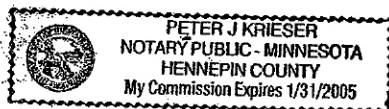
*Tammie L. Reeves*  
TAMMIE L. REEVES

Subscribed and sworn to before me

this 10 day of March, 2003.

*Peter J. Krieser*  
NOTARY PUBLIC

AG: #818388-v1



BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE

**TRUE AND EXACT  
COPY OF ORIGINAL**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1/25/50  
License Number: 27,457

**AMENDED STIPULATION AND ORDER  
FOR INDEFINITE SUSPENSION**

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Complaint Review Committee ("Committee") of the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter. Respondent has chosen to be represented by David P. Bunde, Fredrikson and Byron, P.A., 4000 Pillsbury Center, 200 South Sixth Street, Minneapolis, Minnesota 55402-1425, telephone (612) 492-7048. The Committee was represented by Nathan W. Hart, Assistant Attorney General, 1400 NCL Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2131, telephone (651) 296-7575.

**FACTS**

3. For the purpose of this stipulation, the Board may consider the following facts as true:

a. Respondent is a 54-year-old physician who has been licensed by the Board since January 8, 1983. Respondent is Board-certified in psychiatry.



b. Respondent has a history of bipolar disorder and chemical dependency with relapses. She has been under several Board orders, including an order dated March 9, 2002 ("March 2002 Order"). The March 2002 Order indefinitely suspended Respondent's license based upon a recurrence of symptoms of her bipolar disorder.

c. On February 13, 2003, Respondent met with the Committee to discuss her medical condition and her conduct. Respondent provided the Committee with information on the stabilization of her medical condition.

d. On March 8, 2003, the Board approved a Stipulation and Order ("March 2003 Order") reinstating Respondent's license and allowing Respondent to return to practice, subject to certain conditions and restrictions, including the following:

1) Respondent shall abstain completely from alcohol and all mood-altering chemicals unless they are prescribed and/or approved by a physician or dentist who has first been informed of Respondent's mental health and chemical dependency history.

2) Respondent shall be subject, without notice, to unannounced blood and/or urine tests at the request of the Board or its designee at least 12 times per quarter. Blood and urine screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The blood and urine screens shall be:

a) Collected and tested consistent with protocols established by a Board-designed laboratory;

b) Handled through legal chain-of-custody methods; and

c) Paid for by Respondent.

3) The biological fluid collection and testing shall take place as directed by the Board or its designee. Testing shall screen for opiates, cocaine, barbiturates,

## STATUTES

4. The Committee views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(l) and (r) (1998), and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action under these statutes.

## REMEDY

5. Upon this Stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an order conditioning and restricting Respondent's license to practice medicine and surgery in the State of Minnesota as follows:

a. Respondent shall obtain a treating physician, approved in advance by the Committee or its designee, to monitor and/or manage all medical or other care provided to Respondent by all health care professionals. Respondent shall undergo a comprehensive physical examination by the treating physician. The treating physician shall provide a summary of the physical examination findings to the Board. Respondent shall provide all necessary records releases to enable Respondent's health care professionals to communicate with the treating physician pursuant to this paragraph. The treating physician shall provide quarterly reports to the Board or its designee summarizing medical or other care provided to Respondent and addressing Respondent's progress under any terms of this Stipulation and Order relating to Respondent's health status and recovery.

Respondent stated that she did not take her son to Urgent Care in May; rather, she did not attend the meeting because she was at home with her son, who was ill. Respondent stated that she did not attend the June 2003 PSP meeting because she was attending a continuing education course in Boston. Respondent stated that she did not attend the July 2003 PSP meeting because she was distraught over an upcoming meeting with the Committee. Respondent also admitted her MDMA sponsor falsified her meeting attendance logs at her request.

i. On November 24, 2003, Respondent was admitted to Fairview University Medical Center with deepening depression in the midst of bipolar depression. Documentation indicated, "This was triggered by a very difficult meeting with a representative of the attorney general's office in the midst of her ongoing negotiation with the medical board." Respondent was discharged on November 26, 2003.

j. Respondent failed to attend the January 2004 PSP meeting. Respondent reported that she had every intention of attending the meeting, but her schedule became confused and she forgot to attend.

k. On May 27, 2004, Respondent met with the Committee to discuss the above information. The Committee offered Respondent an Amended Stipulation and Order, in which she was reprimanded for violating her March 2003 Order and required to pay a \$2000 civil penalty. All of the other remedy provisions contained in paragraph 5 of her March 2003 Order remained in place.

l. In connection with her May 27, 2004, conference, Respondent provided a letter of support from her treating psychiatrist dated May 13, 2004. Prior to the conference, Respondent altered the letter without informing the psychiatrist or the Committee. Respondent's purpose was to mislead the Committee and present herself in a more favorable light.

m. On June 16, 2004, an investigator with the Minnesota Attorney General's Office interviewed Respondent to discuss her forgery of the May 13, 2004, letter. Respondent admitted to altering the letter before submitting it to the Committee. Respondent also admitted to consuming three drinks of alcohol on June 5, 2004, while attending a conference in Boston.

n. On June 24, 2004, a urine screen was obtained from Respondent and suspected of being diluted.

o. On July 15, 2004, Respondent met with the Committee to discuss the above allegations.

### STATUTES

4. The Committee views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(f), (g), (k), (l), (r), and (u) (2002), and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action under these statutes.

### REMEDY

5. Upon this stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an order suspending Respondent's license to practice medicine and surgery in the State of Minnesota as follows:

a. Respondent is **REPRIMANDED** for the conduct cited above in paragraph 3.

b. Respondent shall pay to the Board a civil penalty in the amount of \$2500 for its investigative costs.

c. Respondent's license is **INDEFINITELY SUSPENDED**.

d. During the period of suspension, Respondent shall not in any manner practice medicine in Minnesota.

e. Respondent may petition for reinstatement of her license upon payment of the civil penalty referenced in paragraph 5.b. above and submission of satisfactory evidence that she is fit and competent to resume practice with reasonable skill and safety to patients. Satisfactory evidence shall include, but shall not be limited to, evidence of a minimum of one year of documented, uninterrupted sobriety, stipulated, in compliance with her treatment/aftercare program and documented stability of her bipolar disorder.

f. Upon petitioning for reinstatement, Respondent shall appear before the Committee to discuss her petition and progress in recovery. Upon hearing the petition, the Committee may continue, modify, or remove the suspension of her registration, or impose conditions or restrictions as deemed necessary.

g. Respondent shall sign all necessary releases allowing the Board access to all medical, mental health, therapy, evaluation, chemical dependency, and other records from any treating health professional or evaluator. Respondent shall allow the Board or its designee to communicate with all treating health care professionals.

6. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this stipulation and if this case proceeds to hearing, Respondent will assert no claim that the Board was prejudiced by its review and discussion of this stipulation or of any records relating hereto.

7. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the order to be entered pursuant to the stipulation shall be the final order herein.

8. Respondent hereby acknowledges that she has read and understands this stipulation and has voluntarily entered into the stipulation without threat or promise by the Board or any of its members, employees, or agents. This stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this stipulation.

Dated: 10/28/, 2004

Dated: 13 November 2004

Nancy A. Kermath  
NANCY A. KERMAITH, M.D.  
Respondent

51Aitcher MD  
FOR THE COMMITTEE

### ORDER

Upon consideration of this stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this stipulation are adopted and implemented by the Board this 13th day of November, 2004.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: Robert D. [Signature]

AG: #1260390-v1

**AFFIDAVIT OF SERVICE BY U.S. MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

TAMMIE L. REEVES, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on November 15, 2004, s/he caused to be served the AMENDED STIPULATION AND ORDER FOR INDEFINITE SUSPENSION, by depositing the same in the United States mail at said city and state, true and correct copy(ies) thereof, properly enveloped with prepaid first-class postage, and addressed to:

DAVID P BUNDE  
FREDRIKSON AND BYRON PA  
4000 PILLSBURY CTR  
200 S SIXTH ST  
MINNEAPOLIS MN 55402-1425

*Tammie L. Reeves*

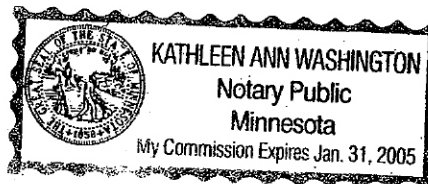
TAMMIE L. REEVES

Subscribed and sworn to before me

this 15th day of November, 2004.

*Kathleen Washington*  
\_\_\_\_\_  
NOTARY PUBLIC

AG: #1322081-v1



**TRUE AND EXACT  
COPY OF ORIGINAL**

**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Date of Birth: 1/25/1950  
License Number: 27,457

**STIPULATION AND ORDER**

IT IS HEREBY STIPULATED AND AGREED, by and between Nancy A. Kermath, M.D. ("Respondent"), and the Complaint Review Committee ("Committee") of the Minnesota Board of Medical Practice ("Board") as follows:

1. During all times herein, Respondent has been and now is subject to the jurisdiction of the Board from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. Respondent has been advised by Board representatives that she may choose to be represented by legal counsel in this matter and has chosen David P. Bunde, Fredrikson & Byron, 200 South Sixth Street, Suite 4000, Minneapolis, Minnesota 55402-1425, telephone (612) 492-7048. The Committee was represented by Nathan W. Hart, Assistant Attorney General, 1400 Bremer Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2131, telephone (651) 296-7575.

**FACTS**

3. For the purpose of this stipulation, the Board may consider the following facts as true:

a. Respondent was licensed by the Board to practice medicine and surgery in the State of Minnesota on January 8, 1983. Respondent is board-certified in psychiatry.



b. Respondent has a history of bipolar disorder and chemical dependency with relapses, and was subject to several Board Orders. On November 13, 2004, the Board approved an Amended Stipulation and Order for Indefinite Suspension ("2004 Order") based on Respondent's admission that she had altered a letter before submitting it to the Committee in order to present herself in a more favorable light, and consumed three drinks of alcohol in violation of her Board Order. The 2004 Order included a Reprimand, an Indefinite Suspension of her license, and payment of a civil penalty of \$2,500.00; and provided that Respondent could petition for reinstatement of her license upon submission of satisfactory evidence that she was fit and competent to resume practice with reasonable skill and safety to patients.

c. On September 22, 2006, Respondent submitted a petition to the Board for reinstatement of her license to practice medicine and surgery in the State of Minnesota, with supporting documentation from her psychiatrist, psychologist, AA sponsor, and self-help group professionals.

d. On October 17, 2006, Respondent met with the Complaint Review Committee to discuss her petition for reinstatement. The Committee requested that she undergo a comprehensive neuropsychological evaluation and that, upon receipt of the results, the Committee would reconsider her petition for reinstatement of her license.

e. On November 30, 2006, the Board received the results of the neuropsychological evaluation which concluded that, from a cognitive standpoint, Respondent "should be able to assume the responsibilities of a psychiatrist without significant difficulty."

f. On December 19, 2006, the Committee reviewed the results of Respondent's neuropsychological evaluation and decided to offer her a Stipulation and Order to return to the practice of medicine subject to terms and conditions.

## STATUTES

4. The Committee views Respondent's practices as inappropriate in such a way as to require Board action under Minn. Stat. § 147.091, subd. 1(l) and (r) (2006), and Respondent agrees that the conduct cited above constitutes a reasonable basis in law and fact to justify the disciplinary action under these statutes.

## REMEDY

5. Upon this Stipulation and all of the files, records, and proceedings herein, and without any further notice or hearing herein, Respondent does hereby consent that until further Order of the Board, made after notice and hearing upon application by Respondent or upon the Board's own motion, the Board may make and enter an Order rescinding the Amended Stipulation and Order for Indefinite Suspension of November 13, 2004, and may make and enter an Order **CONDITIONING** and **RESTRICTING** Respondent's license to practice medicine and surgery in the State of Minnesota as follows:

a. Respondent shall obtain a primary care treating physician, approved in advance by the Complaint Review Committee or its designee, to monitor and/or manage all medical or other care provided to Respondent by all health professionals. Respondent shall provide all necessary records releases to enable Respondent's health care professionals to communicate with the treating physician pursuant to this paragraph. The treating physician shall provide quarterly reports to the Board summarizing medical or other care provided to Respondent, as well as addressing Respondent's progress under any terms of this Stipulation and Order relating to Respondent's health status and recovery.

b. Respondent shall abstain from alcohol and all mood-altering chemicals, unless they are prescribed and/or approved by a physician or dentist who has first been informed of Respondent's drug use history.

c. Respondent shall not prescribe or administer any prescription drug or drug sample for Respondent's own use or for Respondent's family members' use.

d. Respondent shall be subject, without notice, to unannounced blood and/or urine tests at the request of Board staff, or other Board designee, at least 18 times per quarter, including weekends. Bodily fluid screens may be requested at any time. Respondent shall provide the requested sample within the time frame directed. The screens shall be:

1) Collected and tested consistent with protocols established by a Board-designated laboratory;

2) Handled through legal chain-of-custody methods; and

3) Paid for by Respondent.

The biological fluid collection shall take place as directed by Board staff or other Board designee. Testing shall screen for opiates, cocaine, barbiturates, amphetamines, benzodiazepines, marijuana, and other drugs of abuse, including alcohol. The laboratory will provide test results directly to the Board and to Respondent's treating physician. Ingestion of poppy seeds will not be accepted as a reason for a positive result.

e. Respondent shall attend meetings of a self-help program such as AA or NA in support of her abstinence at least three times per week. Quarterly reports shall be submitted to the Board, or its designee, from Respondent's designated sponsor(s) regarding attendance and participation.

f. Respondent shall attend at least two Minnesota Depression and Bipolar Support Alliance group meetings per month. Quarterly reports shall be submitted to the Board, or its designee, from Respondent's designated sponsor(s) regarding Respondent's attendance and participation.

g. Respondent shall attend monthly meetings of a professional support group such as Physicians Serving Physicians ("PSP") approved in advance by the Committee or its designee. Quarterly reports shall be submitted to the Board, or its designee, from Respondent's designated sponsor(s) regarding Respondent's attendance and participation.

h. Respondent shall engage in individual therapy with a psychiatrist or therapist, approved in advance by the Committee or its designee. The treating psychiatrist or therapist shall provide quarterly reports to the Board, or its designee, and to the primary treating physician regarding Respondent's diagnosis and progress in therapy. Termination of therapy shall be at the written recommendation of the approved psychiatrist or therapist, with the approval of the primary treating physician and the Committee.

i. Medication management, including monitoring of blood levels and any changes in medication, shall be conducted under the direction of a treating psychiatrist, approved in advance by the Committee or its designee. The treating psychiatrist shall provide quarterly reports to the Board and to the treating physician regarding Respondent's compliance with taking prescribed medication, as well as any changes in medication.

j. Respondent shall provide to the Board and to the treating physician a copy of any treatment and/or aftercare plan which is in effect at the time of execution of this Stipulation and Order, or which is modified or becomes effective during the time Respondent is

subject to the Stipulation and Order. The treatment/aftercare plan and any modifications to it shall be approved by the treating physician and shall include at least the following:

- 1) Treatment/aftercare plan activities; and
- 2) The name, address, and telephone number for each provider of treatment/aftercare services.

The terms of any such treatment/aftercare plan, or approved modifications thereto, to the extent not superseded by this Order, are herewith incorporated by reference. Failure to follow the plan shall constitute violation of this Order.

k. Upon request, Respondent shall sign releases allowing the Board to obtain Respondent's medical, mental health, or chemical abuse/dependency records from any treating professional, evaluator, or facility.

l. Respondent shall practice in a group setting, approved in advance by the Committee, or its designee, and shall limit her work hours to no more than 25 hours per week, including weekends, call schedule and paperwork. No sooner than six months after resuming practice, Respondent may petition the Committee to consider an increase in her work hours. The Committee, at its discretion and by its own Order, may increase the maximum number of work hours allowed per week.

m. Respondent shall identify a work quality assessor who shall provide quarterly reports to the Board, or its designee, and to the treating physician regarding her overall work performance.

n. Respondent shall meet on a quarterly basis with a designated Board member or other Board designee. It shall be Respondent's obligation to contact the designated

Board member to arrange each of the meetings. The purpose of such meetings shall be to review Respondent's progress under the terms and conditions of this Stipulation and Order.

o. Respondent shall pay, within one year of the date of this Order, a civil penalty in the amount of \$2,500.00.

p. No sooner than one year from the date of the Order, Respondent may petition, in writing, for reduced monitoring. Upon reviewing Respondent's petition, the Committee, at its discretion and by its own Order, may reduce the frequency of required meetings, reports, and/or biological fluid screens required by the terms and conditions of this Order.

q. Respondent may petition for reinstatement of an unconditional license no sooner than three years from the date of this Order and upon proof, satisfactory to the Board, of at least four years of documented, uninterrupted recovery. Upon hearing the petition, the Board may continue, modify, or remove the conditions set out herein.

6. Within ten days of signing the Stipulation to this Order, Respondent shall provide the Board with a list of all hospitals and skilled nursing facilities at which Respondent currently has medical privileges, a list of all states in which Respondent is licensed or has applied for licensure, and the addresses and telephone numbers of Respondent's residences and all work sites. Within seven days of any change, Respondent shall provide the Board with the new address and telephone information. The information shall be sent to Robert A. Leach, Minnesota Board of Medical Practice, University Park Plaza, 2829 University Avenue S.E., Suite 500, Minneapolis, Minnesota 55414-3246.

7. In the event Respondent resides or practices outside the State of Minnesota, Respondent shall promptly notify the Board in writing of the location of her residence and all

work sites. Periods of residency or practice outside of Minnesota will not be credited toward any period of Respondent's suspended, limited, or conditioned license in Minnesota unless Respondent demonstrates that practice in another state conforms completely with Respondent's Minnesota license to practice medicine.

8. If Respondent shall fail, neglect, or refuse to fully comply with each of the terms, provisions, and conditions herein, the Committee shall schedule a hearing before the Board. The Committee shall mail Respondent a notice of the violation alleged by the Committee and of the time and place of the hearing. Respondent shall submit a response to the allegations at least three days prior to the hearing. If Respondent does not submit a timely response to the Board, the allegations may be deemed admitted.

At the hearing before the Board, the Committee and Respondent may submit affidavits made on personal knowledge and argument based on the record in support of their positions. The evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Order. Respondent waives a hearing before an administrative law judge and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

At the hearing, the Board will determine whether to impose additional disciplinary action, including additional conditions or limitations on Respondent's practice, or suspension or revocation of Respondent's license.

9. In the event the Board in its discretion does not approve this settlement, this stipulation is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any disciplinary action by either party hereto except that Respondent agrees that should the Board reject this Stipulation and if this case proceeds to hearing, Respondent will

assert no claim that the Board was prejudiced by its review and discussion of this Stipulation or of any records relating hereto.

10. Respondent waives any further hearings on this matter before the Board to which Respondent may be entitled by Minnesota or United States constitutions, statutes, or rules and agrees that the Order to be entered pursuant to the Stipulation shall be the final Order herein.

11. Respondent hereby acknowledges that she has read and understands this Stipulation and has voluntarily entered into the Stipulation without threat or promise by the Board or any of its members, employees, or agents. This Stipulation contains the entire agreement between the parties, there being no other agreement of any kind, verbal or otherwise, which varies the terms of this Stipulation.

Dated: Jan. 5, 2007

Dated: January 13, 2007

Nancy A. Kermath, M.D.  
NANCY A. KERMATH, M.D.  
Respondent

Carl S. Smith, M.D.  
FOR THE COMMITTEE

### ORDER

Upon consideration of this Stipulation and all the files, records, and proceedings herein,

IT IS HEREBY ORDERED that the terms of this Stipulation are adopted and implemented by the Board this 13th day of January, 2007.

MINNESOTA BOARD OF  
MEDICAL PRACTICE

By: [Signature]



**AFFIDAVIT OF SERVICE BY MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.**  
**License No: 27,457**

STATE OF MINNESOTA

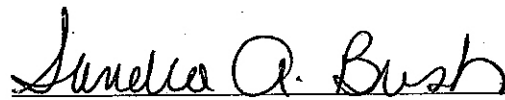
COUNTY OF RAMSEY

) ss.  
)

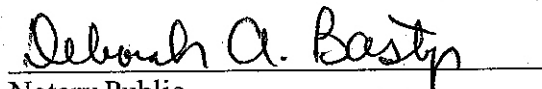
SANDRA A. BUSH, being first duly sworn, deposes and says:

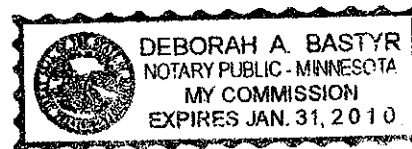
That at the City of St. Paul, County of Ramsey and State of Minnesota, on January 16, 2007, she served the attached STIPULATION AND ORDER by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

David P. Bunde, Esq.  
Fredrikson & Byron, P.A.  
200 South Sixth Street, Suite 4000  
Minneapolis, MN 55402-1425

  
SANDRA A. BUSH

Subscribed and sworn to before me on  
January 16, 2007.

  
Notary Public



**TRUE AND EXACT  
COPY OF ORIGINAL**

**BEFORE THE MINNESOTA  
BOARD OF MEDICAL PRACTICE**

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Birth Date: 1/25/1950  
License Number: 27,457

**COMMITTEE ORDER  
AMENDING THE BOARD'S  
STIPULATION AND ORDER**

**FACTS**

1. During all times herein, Nancy A. Kermath, M.D. ("Respondent") has been and now is subject to the jurisdiction of the Minnesota Board of Medical Practice ("Board") from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. By Stipulation and Order for Indefinite Suspension dated March 9, 2002 ("2002 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon her long history of bipolar disorder and chemical dependency with relapses.

3. By Stipulation and Order dated March 8, 2003 ("2003 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she abstain from alcohol and all mood-altering chemicals, obtain a primary treating physician to monitor and manage her bipolar disorder and chemical dependency, continue in psychotherapy, and submit to at least 12 unannounced biological fluid screens per quarter.

4. By Amended Stipulation and Order for Indefinite Suspension dated November 13, 2004 ("2004 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon Respondent's admission that she had altered a letter before submitting it to the Board, in order to present herself in a more favorable light, and her relapse to alcohol usage.

5. By Stipulation and Order dated January 13, 2007 ("2007 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she

abstain from alcohol and all mood-altering chemicals, engage in individual therapy, comply with medication management, limit her practice to no more than 25 hours per week, and submit to at least 18 unannounced biological fluid screens per quarter.

6. On May 15, 2007, the Board received Respondent's written petition for modification of the terms of her 2007 Order to increase her practice hours.

7. The Complaint Review Committee, having convened on June 19, 2007, to review and consider the above-referenced matter, issues the following:

**ORDER**

8. IT IS HEREBY ORDERED that the maximum number of work hours shall be increased from 25 hours to 32 hours per week.

9. IT IS FURTHER ORDERED that the remainder of the terms and conditions of the Stipulation and Order of January 13, 2007, shall remain in full force and effect.

10. IT IS FURTHER ORDERED that this Committee Order, Amending the Board's Stipulation and Order of January 13, 2007, is hereby adopted and implemented on this 14<sup>th</sup> day of July, 2007.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

By: Carl S. Smith MD

**AFFIDAVIT OF SERVICE BY MAIL**

**Re: In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF RAMSEY    )

SANDRA A. BUSH, being first duly sworn, deposes and says:

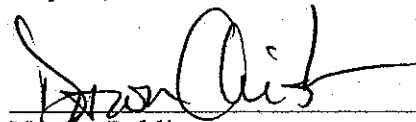
That at the City of St. Paul, County of Ramsey and State of Minnesota, on July 16, 2007, she served the attached COMMITTEE ORDER AMENDING THE BOARD'S STIPULATION AND ORDER by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

**PERSONAL AND CONFIDENTIAL**

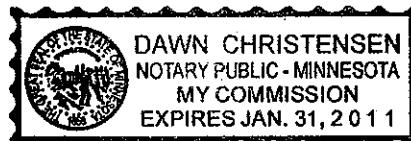
Nancy A. Kermath, M.D.  
6408 West Shore Drive  
Edina, MN 55435-1526

  
SANDRA A. BUSH

Subscribed and sworn to before me on  
July 16, 2007.

  
\_\_\_\_\_  
Notary Public

AG: #1830837-v1



# TRUE AND EXACT COPY OF ORIGINAL

## BEFORE THE MINNESOTA BOARD OF MEDICAL PRACTICE

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Birth Date: 1/25/1950  
License Number: 27,457

### SECOND COMMITTEE ORDER AMENDING THE BOARD'S STIPULATION AND ORDER

#### FACTS

1. During all times herein, Nancy A. Kermath, M.D. ("Respondent") has been and now is subject to the jurisdiction of the Minnesota Board of Medical Practice ("Board") from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. By Stipulation and Order for Indefinite Suspension dated March 9, 2002 ("2002 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon her long history of bipolar disorder and chemical dependency with relapses.

3. By Stipulation and Order dated March 8, 2003 ("2003 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she abstain from alcohol and all mood-altering chemicals, obtain a primary treating physician to monitor and manage her bipolar disorder and chemical dependency, continue in psychotherapy, and submit to at least 12 unannounced biological fluid screens per quarter.

4. By Amended Stipulation and Order for Indefinite Suspension dated November 13, 2004 ("2004 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon Respondent's admission that she had altered a letter before submitting it to the Board, in order to present herself in a more favorable light, and her relapse to alcohol usage.

5. By Stipulation and Order dated January 13, 2007 ("2007 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she

abstain from alcohol and all mood-altering chemicals, engage in individual therapy, comply with medication management, limit her practice to no more than 25 hours per week, and submit to at least 18 unannounced biological fluid screens per quarter.

6. By Committee Order dated July 14, 2007 ("Committee Order"), Respondent's work hours were increased from 25 hours to 32 hours per week.

7. On January 11, 2008, the Board received Respondent's written petition for further modification of her 2007 Order to increase her work hours to full-time practice.

8. The Complaint Review Committee, having convened on February 19, 2008, to review and consider the above-referenced matter, issues the following:

#### ORDER

9. IT IS HEREBY ORDERED that the maximum number of Respondent's work hours shall be increased from 32 hours to 40 hours per week, including weekends, call schedule, and paperwork.

10. IT IS FURTHER ORDERED that the remainder of the terms and conditions of the Stipulation and Order of January 13, 2007 and the Committee Order of July 14, 2007, shall remain in full force and effect.

11. IT IS FURTHER ORDERED that this Second Committee Order, Amending the Board's Stipulation and Order of January 13, 2007, is hereby adopted and implemented on this

26 day of February, 2008.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

By: Carl S. Smith MD

**AFFIDAVIT OF SERVICE BY MAIL**

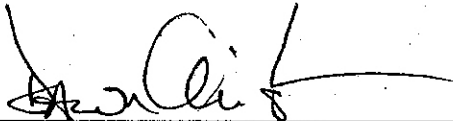
**RE: In the Matter of the License of Nancy A. Kermath, M.D.  
License No. 27,457**

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF RAMSEY    )

Dawn Christensen, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on February 27, 2008, she served the attached AGREEMENT FOR CORRECTIVE ACTION by depositing in the United States mail at said city and state, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to:

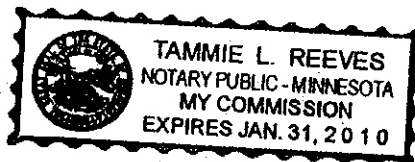
Nancy A. Kermath, M.D.  
6408 West Shore Drive  
Edina, Minnesota 55435

  
Dawn Christensen

Subscribed and sworn to before me  
this 27th day of February 2008.

  
Notary Public

AG: #1962055-v1



# TRUE AND EXACT COPY OF ORIGINAL

## BEFORE THE MINNESOTA BOARD OF MEDICAL PRACTICE

In the Matter of the  
Medical License of  
Nancy A. Kermath, M.D.  
Birth Date: 1/25/1950  
License Number: 27,457

### THIRD COMMITTEE ORDER AMENDING THE BOARD'S STIPULATION AND ORDER

#### FACTS

1. During all times herein, Nancy A. Kermath, M.D. ("Respondent") has been and now is subject to the jurisdiction of the Minnesota Board of Medical Practice ("Board") from which she holds a license to practice medicine and surgery in the State of Minnesota.

2. By Stipulation and Order for Indefinite Suspension dated March 9, 2002 ("2002 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon her long history of bipolar disorder and chemical dependency with relapses.

3. By Stipulation and Order dated March 8, 2003 ("2003 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she abstain from alcohol and all mood-altering chemicals, obtain a primary treating physician to monitor and manage her bipolar disorder and chemical dependency, continue in psychotherapy, and submit to at least 12 unannounced biological fluid screens per quarter.

4. By Amended Stipulation and Order for Indefinite Suspension dated November 13, 2004 ("2004 Order"), the Board indefinitely suspended Respondent's license to practice medicine based upon Respondent's admission that she had altered a letter before submitting it to the Board, in order to present herself in a more favorable light, and her relapse to alcohol usage.



5. By Stipulation and Order dated January 13, 2007 ("2007 Order"), the Board reinstated Respondent's license under conditions and restrictions that required, in part, that she abstain from alcohol and all mood-altering chemicals, engage in individual therapy, comply with medication management, limit her practice to no more than 25 hours per week, and submit to at least 18 unannounced biological fluid screens per quarter.

6. By Committee Order dated July 14, 2007 ("2007 Committee Order"), Respondent's work hours were increased from 25 hours to 32 hours per week.

7. By Second Committee Order dated February 26, 2008 ("2008 Committee Order"), Respondent's work hours were increased from 32 hours to 40 hours per week.

8. In October 2008, the Board was notified that Respondent underwent a fitness for duty evaluation, at the request of her employer, and that Respondent's employer subsequently reduced Respondent's work hours to 32 hours per week.

9. The Complaint Review Committee, having convened on December 10, 2008, to review and consider the above-referenced matter, issues the following:

#### **ORDER**

10. IT IS HEREBY ORDERED that the maximum number of Respondent's work hours shall be reduced from 40 hours to 32 hours per week, including weekends, call schedule, and paperwork.

11. IT IS FURTHER ORDERED that the remainder of the terms and conditions of the Stipulation and Order of January 13, 2007, the Committee Order of July 14, 2007, and the Second Committee Order of February 26, 2008, shall remain in full force and effect.

12. IT IS FURTHER ORDERED that this Third Committee Order, Amending the Board's Stipulation and Order of January 13, 2007, is hereby adopted and implemented on this 22 day of December, 2008.

MINNESOTA BOARD OF  
MEDICAL PRACTICE  
COMPLAINT REVIEW COMMITTEE

By:  \_\_\_\_\_

AG: #2360338-v1

**AFFIDAVIT OF SERVICE BY U.S. MAIL**

**Re:** In the Matter of the Medical License of Nancy A. Kermath, M.D.  
License No. 27,457

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF RAMSEY    )


KATHLEEN DAVIS, being first duly sworn, deposes and says:

That at the City of St. Paul, County of Ramsey and State of Minnesota, on December 22, 2008, s/he caused to be served the THIRD COMMITTEE ORDER AMENDING THE BOARD'S STIPULATION AND ORDER, by depositing the same in the United States mail at said city and state, true and correct copy(ies) thereof, properly enveloped with prepaid first class postage, and addressed to:

David P. Bunde, Esq.  
Fredrikson & Byron  
200 South Sixth Street, Suite 4000  
Minneapolis, MN 55402-1425

  
KATHLEEN DAVIS

Subscribed and sworn to before me on  
December 22, 2008.

  
NOTARY PUBLIC

AG: #2360709-v1

